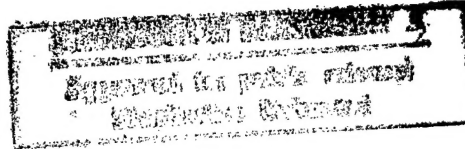


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China Report

RED FLAG

No. 14, 16 July 1982

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31 August 1982

CHINA REPORT

RED FLAG

No. 14, 16 July 1982

Translation of the semimonthly theoretical journal of the Central Committee of the Chinese Communist Party published in Beijing.

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SUM UP EXPERIENCES; PERSIST IN REFORMS

HK031357 Beijing RED FLAG in Chinese No 14, 16 Jul 82 pp 2-6, 21

[Article by RED FLAG Editorial Department]

[Text] Our country's organizational reform is carried on smoothly. At present, the first stage of organizational reform work of party and government organizations at the central level has been basically completed according to plan. Progress was smoother than anticipated. This victory has laid down a foundation for the next stage of organizational reform work of party and government organizations at the central level, and has provided important experience for the organizational reform to be carried out stage by stage and level by level throughout country. Our present task is to conscientiously sum up experience, inspire enthusiasm, and advance on the crest of the victory so as to achieve an overall victory of the organizationally reform.

We Will Surely Be Able To Achieve Great Success If We Are Determined in Carrying Out Reform

Early this year, when discussing the problem concerning the organizational reform of party and government organizations at the central level, Comrade Deng Xiaoping said, "Now, some foreigners are chattering about our reform, predicting that we are likely to encounter failure. Our cadres at lower levels also think that it will be difficult to achieve the reform. But, I still hold on to my own views. Yes, it is difficult indeed; however, if only we are determined enough, I do not believe we will fail." The practice in the last few months has proved that this reform has developed completely in the direction anticipated by the CCP central authorities.

The results obtained in the initial stage of the organizational reform of the party and government organizations are highly convincing. The number of ministries and commissions, immediately subordinate organizations and offices under the State Council have already been cut down from 100 to 60. The total number of working personnel has been reduced by about one-third. According to the statistics of 30 departments and commissions, ministers,

vice ministers and heads have been reduced by 67 percent in all. Among the new leading groups, newly selected middle-aged and young cadres account for 32 percent. Their average age has fallen by 6 years. The leadership system of the State Council itself has also been reformed. The number of vice premiers has been reduced from 13 to 2. The 10 newly created state councillors have improved and strengthened the day-to-day leadership of the State Council. As for units directly under the CCP Central Committee, organizations at the bureau level have been reduced by 11 percent. The total numbers of working personnel has been reduced by 17.3 percent. Major posts and deputy posts in the various departments and commissions have been reduced by 15.7 percent. In the leading groups, newly selected middle-aged and young cadres account for 16 percent of all cadres. Their average age has fallen by 4 years. Although these are only initial results, they are enough to show that if only we can make up our minds and are determined in reforming, and conscientiously carry out our work, we will surely be able to achieve success. All fear of difficulties and pessimistic views arising from lack of confidence are groundless.

This organizational reform is a strategic decision of great importance made by the CCP central authorities after careful consideration and repeated deliberations over a long period of time. The CCP central authorities have not only sufficiently estimated the arduousness of the reform but also profoundly analyzed its objective inevitability. In the last two decades, due to various reasons, we have been plagued by overstaffing. Leading organizations have been large but inefficient. Such a situation has remained all the time and is becoming more and more serious. The situation was worsened by the aging of the leadership, and has turned out to be a big problem which is hindering us from carrying forward the cause of our party and country. The situation has even become so serious that "both our people and our party can't stand it anymore." If we do not solve this problem in good time, "it will possibly lead to the destruction of the party and the country." Our present reform is aimed at reforming the old structure and system, abolishing life tenure for cadres, and eliminating bureaucratism. It conforms to the historical trend, the people's will and the need for social development. Only by grasping the opportunity to accomplish this revolution can we strongly enforce various principles and policies adopted by the party and the country, and push the socialist modernization construction to develop rapidly. The people call for reform, the party calls for reform and the development of our society also calls for reform, this is the objective inevitability which determines that the present reform will overcome various obstacles and difficulties and achieve victory.

Our party's determination in carrying out the current organizational reform is based on the objective needs as well as the circumstances that the subjective conditions needed are basically available. Since the smashing of the "gang of four," and particularly since the third and sixth plenary sessions, the central authorities have led the whole party to rectify things in every field which had been thrown into disorder, and correctly

summed up the historical experiences obtained since the founding of the PRC. Now, the party's line, principles and policies have been brought back into the orbit of Marxism; the general political guideline directing our country's socialist modernization construction has already been determined; the task of eliminating confusions in the field of guiding ideology has been completed; the national economy, having undergone a preliminary readjustment, has begun to develop along a correct course; and, politically, a situation of stability and unity seldom seen since the 1960's has emerged. Under these circumstances, both party members and nonparty personages, and both leading people and the masses have time to consider and study the problem of organizational reform. Having a thorough understanding of the overall situation, the central authorities made up their minds to carry out the reform at this moment. Their timing was farsighted; the reform could not be launched earlier because the necessary conditions were not available at that time; and there will be more difficulties and the problems will be more serious if it is launched later. Proletarian revolutionaries of the older generation and many old comrades who have stood the tests over the years are still alive at present. This is a favorable condition for accomplishing this revolution. When putting forth the task, the central authorities held that we are bound to be able to overcome all difficulties and reach our desired goal if we are determined in carrying out the reform, and if we can follow the historical trend and the people's will, seize the right time and adopt the correct methods. This has been proved by the victory of the first stage and will be proved again by the overall victory of the organizational reform.

Great Determination and Meticulous Work

"Great determination and meticulous work" is the guiding ideology laid down by the party and government organizations at the central level at the very beginning of the current organizational reform. If we fail to uphold this guiding ideology, the work of the first stage will not be able to go on in such an orderly way. The following are the major experiences which deserve our close attention.

1. Ideological mobilization is fairly profound, leaders are personally engaged in the work.

The current organizational reform affects the situation as a whole and involves all old, middle-aged and young cadres and arduous tasks. The major leading comrades of the central organs have grasped first of all the key link of ideological mobilization and have personally undertaken a great deal of ideological and political work. On the one hand, they have substantially enhanced everybody's understanding on the necessity and the urgency of this revolution through political mobilization. So, our vast number of cadres profoundly understand the important truth that abrogating life tenure for leading posts and setting up the system of succession of old cadres by young cadres is an objective need of historical development, and that whether this problem can be solved properly has an important

bearing on the life and death of the party and the state, and the destiny and future of the people of all nationalities throughout the country. Therefore, everybody is consciously undertaking this solemn historical task. On the other hand, we have laid down a series of guidelines, principles and policies to deal with various practical problems and ideological problems emerging in the organizational reform, and thus have cleared everybody's mind of doubt. As for the working method, the ideological mobilization has been carried out from level to level and by various means which range from private talking to small forums. So, the task of streamlining has been carried out penetratingly and meticulously, and everybody sincerely supports and is sympathetic to the reform. The central authorities have had a great determination and the leading comrades have personally been engaged in ideological work. This has once and for all ensured that this revolution will be successfully carried on.

2. Clear and definite guidelines and appropriate and right steps.

Organizational reform is a task with an important bearing on politics and policies. Without correct guidelines and policies, the reform can easily be messed up. The central authorities have laid down the following principles from the very beginning. 1) In designing the structural layout, we must always proceed from the needs of work, and take the elimination of bureaucratism and the improvement of efficiency into account. All duplicate organs must be cut, and all organs undertaking similar tasks must be merged. There should be no compromise on this matter. 2) New leading groups must be small but efficient. We must stick to the principle of cultivating revolutionary, young, educated and professionally competent leading groups. At the same time, we must also impose restrictions on the number and age ceiling of leaders and deputy leaders of leading groups at various levels. 3) While attaching importance to retirement, we must attach even greater importance to succession to vacancies. Retirement must be handled carefully and succession must be handled properly. We must resolutely and boldly promote to leading posts those cadres with political integrity and professional competence who are in their prime and are capable of opening up new prospects. At the same time, we must resolutely prevent "three types of people" and those who have seriously violated the law and discipline in the political or economic field in recent years from sneaking into new leading groups. 4) The basic political treatment for those old comrades who have already retired from leading posts must be kept unchanged while better living conditions should be given to them. On the other hand, we must also take measures to let them make further contributions. 5) The authorized size of leading bodies should be fixed while the choice of candidates for posts should not be fixed. The size must be reduced, but it is not necessary to define who is inside and who is outside a leading body. These policies and principles, in effectively guiding the organizational reform work, have won the people's support.

In order to carry out the organizational reform under guidance, step by step and in an orderly way, and to attach equal importance to the organizational reform and other day-to-day work such as economic construction, and so on, the central authorities also clearly stipulated the following procedures: 1) The nationwide organizational reform is to be carried out in two steps, the central organs will take the first step to obtain experience; and local units will follow stage by stage and level by level. Pilot projects will be organized among central organs, and then the reform will be popularized step by step. 2) All units which are undergoing organizational reform must establish two leading groups, one group is in charge of organizational reform and the other in charge of routine work. 3) After the authorized size of those organs at the departmental and committee levels is fixed, we must first concentrate our strength on the key link of assigning cadres to undertake posts in leading bodies. 4) As conditions are ripe, we should approve and [words indistinct] the formation of leading bodies one group after another so as to raise morale, strengthen confidence and thus shorten the transition period of the replacement of old cadres by new ones. 5) We must strictly prohibit any units or individuals from making use of the opportunity to [word indistinct] things up, shake public opinion and fabricate confusion. All the above measures can ensure that the organizational reform will be carried out in an orderly way and that the day-to-day work will be carried out as usual.

3. We have done relatively well in following the [word indistinct].

During the current organizational reform, in establishing organs, working out the authorized size, and assigning cadres to undertake posts in leading bodies, we did not rely solely on a small number of individuals in organizational departments to accomplish the tasks, but entrusted the leading bodies of different departments and committees with various tasks, and mobilized cadres at different levels to complete these tasks by joint efforts. In particular, all final decisions concerning the appointment and approval of personnel in various leading bodies were made by the central authorities after extensive collection of opinions and repeated deliberations and consultations through private talks, small forums, polls, collective discussions within party organizations, and so on. Since we have the system of integration of leadership with the broad masses of the people, we managed to avoid discrepancies and unfairness which are common when the composition of leading bodies is decided by a small number of people, and we have also prevented various types of people, as indicated by the central authorities, from sneaking into our new leading bodies.

4. We have trusted and relied on old comrades and given full play to their role.

The practice of the organizational reform has shown once again that our old cadres' political consciousness is high. They happily withdraw from the first line once revolution requires them to withdraw. Moreover, keeping the public interest in mind, they recommend comrades who possess both ability and

political integrity, enthusiastically assist in preparing and establishing new leading bodies, and thus make new contributions to the current reform. Trusting and relying on old comrades and giving full play to their role is one of the decisive factors in the smooth progress of the current reform. Some old comrades should have withdrawn to the second line according to the work requirement and their own conditions. However, having taken the overall situation into consideration, they spontaneously withdrew to the third line. Some old comrades might continue to undertake leading posts for several years more; however, taking a broad and long-term view, they insisted on withdrawing. Some other old comrades have to remain at their leading posts by the instruction of the party, and they enthusiastically take the initiative to help those young comrades who are inferior to them in seniority and ability to take up important posts, while continuing to fulfill their own duties. The fine quality which the vast number of old cadres have displayed in the current organizational reform has once again done credit to our party, set an example to the younger generation and will have a far-reaching influence on the whole society.

Consolidate the Results and Advance on the Crest of Victory

We have already achieved success in the first stage of the organizational reform work of party and government organizations at the central level. But, this is only an initial success; and we still have to accomplish a lot of arduous tasks in the second stage. At the same time, we must also be aware that the current organizational reform cannot possibly be a very thorough one since it has been carried out under the circumstances that neither the political system nor the economic system have yet been comprehensively reformed, and therefore that will inevitably give rise to some new contradictions. Whether we get bogged down and even shrink back from difficulties, or seek a way out, in reform is an important matter of principle imposed before us. At present, in order to consolidate the results achieved in the previous stage, we must try our best to complete the following tasks according to the plan of the central authorities.

1. Make an effort to accomplish the task of reducing the size of the personnel establishment.

Streamlining organs and reducing the size of the personnel establishment is an important part of the current organizational [word indistinct]. The overall tentative plan of reducing the establishment of central and state organs has already been laid down, and the task for the present is to conscientiously implement the plan. That the authorized size is fixed while the choice of candidates for posts is not fixed does not mean that the structure of an organ is flexible. There should be no misunderstanding on this problem. The authorized size of organs must be reduced and the size of staff must be reasonable. Those old practices such as establishing posts according to the number of people, or making use of the change of the establishment to store personnel, with the aim of expanding one's own units, are

no longer allowed. All departments must enforce the reduction of the establishment in various specific units under them. We must take a resolute attitude toward this problem. All practices such as hesitation, wait-and-see attitude, dragging on without making decisions, refusing to implement them once decisions have been made, and so on, are wrong. The establishment means a decree. Once it is laid down, it must be resolutely implemented. Any expansion of the establishment, or expansion of the establishment in disguised form (such as temporarily transferring cadres, employing casual workers, and so on), or shifting part of the staff from one unit to another, by any unit under any pretext is considered as a violation of discipline.

2. Conscientiously arrange jobs for old cadres.

Conscientiously making arrangements for old cadres has an extremely important bearing on the consolidation of the results achieved in the previous stage. Therefore, all departments must conscientiously undertake this work. All old comrades who have reached the age for leave and retirement, except those who are invited to remain in office because of the actual needs of work, must hurry up to process the procedures for leave and retirement. This must be laid down as a habitual practice in the future. All cadres have to withdraw once they reach the age limit, and should be replaced by young cadres with both ability and political integrity. We must work hard for 3 to 5 years to bring about an obvious change in the age distribution of our cadre contingent.

After old cadres leave their posts and retire, the departments concerned should further do a good job [phrase indistinct] and make arrangements to let them take a good rest and spend their remaining years in happiness. At present, what deserves attention is how to properly deal with the actual problems concerning the political treatment and living conditions for retired cadres. For those among them who are still in good health and are still capable of undertaking certain jobs, we must arrange to give further play to their role. For example, we may organize them to sum up their valuable historical experiences and write some memoirs which are of great significance to our party's history, or arrange for them to undertake such jobs as consultancies, investigation and research, and so on; we may also arrange for them to go to the grassroots to do some mass work and engage in some social activities which they can handle; and so on. In carrying such work, what we need most is enthusiasm, meticulousness and initiative. All arrangements must be reasonable and in accordance with specific conditions, and uniformity must absolutely be avoided. As for those famous specialists, scholars and artists, we must pay attention to further giving play to their role after they withdraw from the leading and administrative posts which they originally held; and we must ensure that they can carry on their writing and scientific research.

3. Conscientiously step up rotational training for cadres.

Training cadres in rotation and enhancing the quality of the cadre contingent is an important key link to overcome bureaucratism, to improve efficiency, and to meet the needs of the socialist modernization construction. This is a task of strategic importance which must be properly and conscientiously handled.

In our country, all cadres, no matter what field of work they are engaged in, are the precious wealth of the party and the country, as well as the hope of the socialist modernization construction. At present, the core of the problem is not that there are too many cadres, but that the state of our cadre contingent is far from conforming to the needs of the socialist modernization construction. On the one hand, our leading bodies are too old, and on the other, quite a few of our cadres lack professional knowledge concerning modernization. Solving these two conspicuous problems which may affect the socialist modernization construction is one of the important tasks of the current organizational reform. In the course of the current organizational reform, while making proper arrangements for old cadres, we must absolutely make up our minds and devote great efforts to the rotational training for cadres. We must start this job now, and try to regularize and systematize it so as to enable our cadres to more quickly and better grasp Marxist-Leninist theory and modern scientific knowledge.

Now, the central authorities have already stipulated that, within the next 5 years or so, all cadres working in party and government organizations at the central level must at least reach a cultural level of senior secondary education or technical secondary education; and the number of cadres who reach the standard of higher learning must account for a relatively high proportion. From now on, no cadres who fail to meet the stipulated requirements can possibly be transferred to organizations at the central level; while the existing cadres who are below the required standard must receive rotational training and attain that standard within a set period. Apart from studying political theory, our cadres also have to study in particular culture, professional knowledge, administrative knowledge and scientific techniques. Every trade has its own special knowledge; therefore, every person must have a command of the professional knowledge of his own trade. From now on, all our cadres must leave their office every few years to do some training for a while, so as to increase their knowledge, sum up experience and improve their professional competence; and then return to work after the training. The cadres' performance in training, as well as their performance in work, must be made one of the criteria for assessing, selecting, employing and promoting cadres. All this must be gradually shaped into a regular system. We must make visible progress in making the whole cadre contingent revolutionary, young, educated and professionally competent through unremitting efforts in the next few years.

4. It is necessary to improve the system of work and work style.

The objective of this organizational reform is to overcome bureaucratism and improve work efficiency. After going through the first stage of work, the government structure has been streamlined, plans for reducing the establishment have been made and leadership groups which consist of more energetic people and those in the prime of life have been formed. This has created a very important condition for overcoming bureaucratism and improving work efficiency. However, we should not think that this means that bureaucratism will vanish forever and work efficiency will naturally be improved. Bureaucratism can be practiced among a large number of people and can also be practiced among a small number of people. In order to overcome bureaucratism and improve work efficiency to the greatest extent, we must still do more practical work and adopt more effective measures to improve the system and work style.

Making explicit the scope of functions and power is an important cardinal link in improving work efficiency. We must tightly grasp this cardinal link and formulate a responsibility system which is strict, reasonable and scientific. The functions and power of each level must be made explicit, organizations at each level must have their own functions and power and so do the cadres. Leading cadres at all levels must be solely responsible and must do a good job of work within their scope of power. They should take the initiative to solve problems that can be solved by themselves and should not indiscriminately ask for the advice of the higher levels in all cases. All units must adhere to the principle of taking the interest of the whole situation into account and being subordinate to the interest of the collective in discussing longstanding matters on which no compromise has been reached among units. It is necessary to make written stipulations and conscientiously abide by them and thoroughly put an end to the phenomenon of endlessly engaging in petty disputes. All units must formulate the post responsibility system for their work personnel, strictly enforce the examination system and the system of rewards and penalties and resolutely change the situation in which there is no distinction between hard efforts and no efforts, or good efforts and bad efforts.

Promoting party and government work style lays a political and ideological foundation for improving work efficiency and is an important matter which merits the profound concern of people both inside and outside the party. Good work style can bring about greater work efficiency. After undergoing organizational reform, the past irresponsible attitude to work and the bad work style of shifting responsibility and delaying things should not be found again in party and government organizations. Instead, party and government organizations should be in a new mental state with new work style and work methods. The newly formed leadership groups must adhere to the principle of wholeheartedly serving the people, enhance revolutionary vigor, carry forward the three great work styles and overcome departmental selfishness, bureaucratism, subjectivism and red tape. Those middle-aged and young

cadres who take up leadership posts during this reform must spontaneously set strict demands on themselves: first, be humble and cautious, and do not get carried away by flattery; second, they must uphold their principles and must not practice favoritism; third, they must be bold in shouldering heavy burdens, diligently carry out investigations and study problems. It is hoped that they will become good revolutionary successors with the help of the veteran comrades and that they will not disappoint the party and the people. New and veteran cadres must work in coordination and unite in doing a good job of work in their local units and departments to create a lively atmosphere and bring about a new situation.

In view of the volume of work and difficulty, the four tasks mentioned above are no easier than work in the first stage but are more complicated, and they are expected to encounter various difficulties and obstacles. In order to do a good job of these tasks, we must first take precautions against the slack mood. We must not falter or give up halfway. We must be persistent and dauntless and do our work well from beginning to end. Second, we must take precautions against a passive situation. We should work on our own initiative and should not be pushed by others to work. We should not look to others as examples, delaying our own work because other units have not done the same. We must work in accordance with the demands of the CCP Central Committee and work on our own initiative. This is the attitude of being responsible to the party and to the people. Third, we must take precautions against practices which are flashy and without substance. We must not take a perfunctory attitude, promote formalism and adopt a haughty manner. We must work in a down-to-earth way in grasping the tasks so as to obtain good results. In short, we must carry on developing the revolutionary vigor, view this reform from the point of view of a strategist and carry out this reform with the spirit of a man of action. We must have firm belief and work in a down-to-earth manner, this is the principle by which we must abide during this reform.

Organizational reform is one of the fundamental guarantees for realizing the great goal of building a strong and modern socialist country. The objective of the reform is developing the social productive forces, and the content of the reform is to eliminate the parts within the superstructure and the production relations which do not accord with the development of the productive forces. Now, the central party and government organizations have taken the first step, and organizational reform of the party and government organizations in the various provinces, municipalities and autonomous regions will be carried out in groups in the second half of this year or next year. After completing the organizational reform, it will still be necessary to carry out a comprehensive reform of other systems. We must raise organizational reform to the strategic position that it deserves in order to understand, practice and complete it. One year ago, the 6th Plenary Session of the 11th CCP Central Committee summed up the experiences of our party since the founding of the country and reiterated the four basic principles of upholding the socialist road, upholding the people's democratic

dictatorship, upholding party leadership and upholding Marxism-Leninism-Mao Zedong Thought. These four basic principles, as a unanimous political foundation for the unity of the whole party and unity of all the people, are inseparable. The most important principles are upholding the socialist road and upholding party leadership. It is impossible to uphold the socialist road without party leadership. Rendering this the other way round, it is impossible for us to talk about upholding the socialist road divorced from party leadership. Fundamentally speaking, whether party leadership is correct or wrong and is strong or weak can be seen in whether or not it can lead the people of various nationalities inside our country to uphold the socialist road. Actual practice over the past few years has proved that in order to uphold party leadership and uphold the socialist road, it is necessary to do a good job of work in four areas--carrying out organizational reform, striking blows at criminal activities which severely undermine the economy, building socialist spiritual civilization, and rectifying the party organizations in order to improve and strengthen party leadership. These four areas provide a fundamental guarantee for realizing the great task of socialist modernization. Under the leadership of the CCP Central Committee, all our party comrades and cadres must work with concerted efforts and enhance revolutionary vigor to carry out a resolute struggle in these four areas, continue to open up new prospects and incessantly push forward the socialist modernization cause.

CSO: 4004/43

MOVE TOWARD PERFECTION IN THE PROCESS OF REFORM

HK301235 Beijing RED FLAG in Chinese No 14, 16 Jul 82 pp 7-10

[Article by Jia Chunfeng [6328 2504 1496] and Teng Wensheng [3326 2429 3932]]

[Text] The first stage of organizational reforms of our central party and government organs will be completed in the main in a few months.

When the party and the people's government decided 6 months ago to carry out organizational reforms and eradicate bureaucracy, everyone was exhilarated and there was strong repercussions abroad. Most people held: Such a measure will play a significant role in China's socialist modernization. However, some people held that we would meet with many difficulties. They doubted whether we would be able to carry it out to the end and attain successes. After several months' intense solid work, the organizational reform of the central party and government organs is being carried out in a smoother and faster manner than expected. We have scored satisfactory results and received favorable international comments. Facts have once again proved that under the outstanding Marxist leadership of the CCP Central Committee, with the series of principles and policies which tally with the situation of our country and the will of the people, with a strong rank of cadres who have been trained in several decades of revolution and construction, and 1 billion industrious, courageous and wise people, we are not only competent to overcome the serious problems incurred by the setbacks in the course of promoting the socialist cause, but are also able to correct the "leftist" errors that have existed for a protracted period of time and draw and digest the lessons of historical experience. The socialist cause of our country has taken on a new aspect and is marching toward new victories. All passive, pessimistic and inert sentiments are baseless. Contrary to the wishes of the internal and foreign hostile elements, our country has not declined. Rather it is full of vitality and is developing healthily and growing stronger. The practice of organizational reform has greatly inspired us. It has deepened our understanding of the historical dialectical law that the socialist cause of our country will develop triumphantly. We have confidence in the organizational reform of our country, which has a good start, and we are confident that the socialist system of our country will be perfected.

Since the 3d Plenary Session of the 11th CCP Central Committee, the progress of the organizational reform, in particular the achievements scored in the organizational reform of the central party and government organs have forcefully indicated that by means of self-readjustment and self-reform, the socialist system of our country can rely on its own efforts to overcome various defects and malpractices that are disadvantageous to the development of the society, and will continue to develop, and be strengthened and perfected. This is an important manifestation of the superiority and powerful vitality of the socialist system of our country.

In his letter to Ao Tuo. Bo N Ike [1159 2094 0130 1441 0344] on socialism, Engels pointed out: "I hold that the so-called 'socialist society' is not something unalterable, rather, we should treat it as any other social systems, that it is a society being constantly changed and reformed." ["Collected Works of Marx and Engels" Vol 37 p 443] The practice of the international communist movement and the development of China's socialist cause have confirmed the prediction of Engels.

Since the establishment of the socialist system in our country, we have scored great historical successes. This has attracted worldwide attention. [words indistinct], we suffered serious setbacks on the road of advancement. As a matter of fact, within a certain historical period, the serious setbacks were mainly the consequences of the sabotage brought about by the Lin Biao and Jiang Qing counterrevolutionary cliques. However, we must also recognize that there were "leftist" errors in our guiding ideology for a long period of time, thus, some defects of the systems were formed in the course of history. This is an important factor that we must not ignore. The so-called defects of the system not only include the defects and malpractices of the economic and administrative systems, but also the defects and malpractices existing in the political and leadership systems, such as the party and the government not being separated, overconcentration of power, the system of life tenure for leading cadres, overstaffed organizations, redundant administrative structures, irresponsible attitudes, inefficient work and so on. These malpractices which gradually became more obvious have greatly hindered us in bringing the superiority of the socialist system into full play. Experiences have told us that the inherent superiority of the socialist system is completely different from giving full play to this superiority. The establishment of the basic socialist system does not mean that the superiority of the socialist system will be automatically brought into full play. In order to bring its superiority into full play, we must continue to overcome the various malpractices formed by the complicated historical and practical factors, and continue to establish and perfect the specific socialist political, economic and cultural organizational forms and management system. We must have a series of practicable and effective measures so as to carry out the work. The establishment of the basic socialist political and economic systems is only the beginning of the development of the socialist system. Although we have established the specific systems one by one, they are not complete or perfect. We must not hold that after we have established the basic socialist systems, we will be able to solve the problems of specific social

political, economic and cultural organizational forms and management systems. The establishment of the basic system is one matter, the completion and perfection of them is another. Since the various specific socialist systems do not and cannot have a fixed pattern or a prepared plan, we must not copy the examples of foreign countries, neither should we follow the past practices of the revolutionary war period, which were under specific historical conditions. Therefore, the establishment and perfection of an effective specific system that tallies with the demands of the basic socialist system, the actual situation and the development of the socialist society of our country is a long process to which we must devote great efforts, and carry out incessant reforms.

The capitalist system is bound to be replaced by the socialist system; this is an inevitable process of history. In a capitalist society, the proletariat is the gravedigger of the capitalist system. Under the leadership of the Communist Party, the proletariat and the masses are able to overthrow the capitalist system, establish the socialist system and incessantly promote this new system from an elementary to an advanced level, from imperfection to perfection and from immaturity to maturity. The socialist system has a development process. In the course of development, it is inevitable that there will be some defects and malpractices. The superiority and vitality of the socialist system lies in the fact that it is able to rely on its own efforts to correct and overcome the malpractices on its own foundation so that the various systems will develop toward perfection amid incessant reforms. Why is it able to do so? Basically speaking, this is determined by the nature of the basic contradictions of a socialist society. Under the socialist system, the basic social contradictions are still the contradiction between productive forces and productive relations, and the contradiction between the economic foundation and the superstructure. The reform of the administrative organizations, the political, economic and leadership system are related to the superstructure, the economic foundation, the production relations and the productive forces. The existence and development of the basic social contradictions is the profound inherent social origin of the reform of systems. However, under the socialist system, these basic contradictions are different in nature from those under exploitative systems, such as the contradiction between the productive forces and the productive relations and the contradiction between economic foundation and the superstructure under the capitalist system. Thus the methods to solve them are bound to be completely different. The basic contradiction of the capitalist society is manifested in vigorous confrontation and conflicts, and in vigorous class struggle. This can only be solved by means of a proletariat socialist revolution, and cannot be solved on the basis of the capitalist system itself. The basic contradiction of a socialist society is completely different; it is not manifested in confrontation. The socialist society does not rely on vigorous class struggle to solve the contradiction. This is because the socialist society has eliminated the system of exploitation and the exploiting class, abolished private ownership and established the basic economic system of socialist public ownership system and the corresponding basic socialist political system. These economic and political systems have shown that the

basic interests of the working class and the broad masses of the people are identical. They conform to the nature of the productive forces and have basically met the demand of the development of the productive forces. In the wake of the incessant development of social productive forces, under the leadership of the party, the working class and the broad masses of the people are absolutely capable of conscientiously reforming the part of the production relations that does not tally with the development of the productive forces and the part of the superstructure that does not tally with the economic foundation. In other words, it is absolutely possible for us to overcome the various defects by means of the gradual development, regulation and perfection of the socialist system itself, so that the socialist basic contradictions will be incessantly solved. Since the third plenary session, our organizational reform has been carried out under the premise of upholding the basic socialist political and economic systems. This kind of reform is an important manifestation of the stability and vitality of the basic socialist system of our country and furthermore, it has greatly consolidated and strengthened the basic system so as to bring the superiority of this basic system into full play.

Over the past few years, in regard to some aspects of the reform of systems, such as reforming the agricultural, industrial, financial and foreign trade management systems, we have done much work to put an end to the practice of overconcentrated power and abolished the life-tenure system of cadres, and we have scored good results. This is the first important step to reform the government organizations. As a matter of fact, speaking overall, we have just started our reform work. Over the past few months, we have only carried out reforms in the central party and government organs, or in the commanding organs. We have not yet carried out reforms in the local party and government organs and the enterprise and industrial units. At present, only three things have been done in reforming the leading organs: we have amalgamated some organs, assigned a new leadership group and requested old cadres who have exceeded the retirement age to step down to the second front or to retire. We must continue to do a good job of various tasks, such as further defining the authority of all departmental committees, promote the cooperative relations with the neighboring units and do a good job of settling the old cadres, training the cadres in rotation and reducing the number of staff members. The reform of organization is to make the leading cadres more revolutionary, younger, more knowledgeable and professional so that our organizations will be able to operate smoothly and in coordination with each other, and that we will be able to overcome bureaucracy and improve the efficiency of work. To attain this objective, it is obvious that we must continue to work much harder. We must also carry out an overall reform of systems, including reform of political and economic systems and reform of the leadership systems of the party and the government. All these reforms are connected with various fields; and they cannot be solved once and for all. We must, on the basis of investigation and studies, seriously absorb past experiences and carry them out systematically, steadily and unrelentingly.

The organizational reform of the central organs and the reshuffle of the leading personnel have forcefully indicated that our party and state have a cadre rank that is fostered by the communist ideological system, that is dedicated to the cause of the people and that is backed up by old cadres. Ours is a socialist country that was established after a protracted period of arduous revolutionary war by the people. During the years of revolutionary war, the old cadres fostered lofty communist ideals, were resolute and feared no sacrifices. They arduously struggled indomitably. They have performed meritorious deeds, never to be obliterated, for the liberation of our nation and the people and for the establishment of our people's republic. Since the establishment of the PRC, they have again made great contribution to promoting the socialist cause of our country. Now, they actively respond to the call of the CCP Central Committee and volunteer to step down to the second front or retire and actively shoulder the responsibility of recommending outstanding middle-aged and young cadres to take over their work. They have exemplified lofty revolutionary spirit and moral character. They have used their words and deeds to add a new chapter to the struggle for communism. The large number of old cadres have carried out the solemn responsibilities entrusted to them by the party and the people; they have the cardinal principles in mind and take the overall situation into account. They have proved themselves to be communists who have gone through all kinds of hardships and difficulties, who were trained in revolutions and who have strong party spirit and political consciousness. Their unanimous political consciousness and action is an important factor in the smooth implementation of the organizational reform and the readjustment of the leadership group. Following the examples of the old cadres, our middle-aged and young cadres are rapidly growing up and have become more mature. The middle-aged and young cadres are at the forefront of the socialist modernization, they are responsible for heavy duties and various vocational work. Many of them work conscientiously, are modest, prudent and active in mind and have close relations with the masses. They are creative and are dedicated to the cause of the revolution. During this reform system, a number of them have taken up various leading posts. In the future, more outstanding middle-aged and young cadres will be promoted to the leadership posts. This is an important sign of the prosperity of our party, country and socialist cause. It is exactly because we have these old cadres as the core and the strong cadre rank made up of the old, the middle-aged and the young as the backbone of our party, country and society, that our socialist revolution and construction are able to overcome the various difficulties, go through severe tests and attain great success. Therefore, we are able to replace the old cadres with new ones in a systematic and orderly manner and ensure the continuous and stable nature of the Marxist leadership of our party and government, and the smooth progress of our socialist modernization.

However, we must also notice that although the composition of the cadres and the cadre rank is growing more revolutionized, younger more knowledgeable and professional, they cannot fully accord with the objective demand of the progress of the socialist modernization. The cadre system is still incomplete

and imperfect. At present, we have introduced the retirement system and the system of taking leave for recuperation for the old cadres. We are trying to make sure practices regular and establish a system to carry them out. After the large number of retired old cadres step down from the leadership positions, they always bear in mind their pledge to fight all their lives for the cause of communism. They still maintain their vigorous revolutionary spirit and are determined to gear it to the needs of the grassroots. They have carried out more mass work and youth work and have participated in various valuable social activities. This will strongly strengthen the ties between the party and the masses so that the masses will feel that communist party members will genuinely serve the people as long as they live and throughout their lives. The stipulation and implementation of the retirement system and the system of taking leave for recuperation for the aged cadres is an important aspect of perfecting the cadre system. We must also stipulate a training system for the cadres and persist in implementing it. Before 1957, we systematically transferred some cadres to receive education and training in regular schools. This played an important role in enhancing the growth and efficiency of the cadres. However, it was stopped later. At present, under the new historical conditions, we must give priority to it and establish a systematic standardized educational system for the cadres so that all cadres will receive schooling after working for a certain period of time, and study Marxist theories, modern sciences and technical skills. Such an investment in knowledge is of strategic significance and will play an important role in improving the quality of the cadre rank. We must also gradually establish and perfect the cadre examination system, the assessment system, the supervision system, the system of rewards and penalties, the system of dismissing officials and the rotational system. All these are important aspects in perfecting the concrete socialist system. We must seriously do a good job of them on the basis of extensively studying the domestic and foreign experiences. After we have done a good job of them, we will be able to organizationally bring the superiority of the socialist system into full play.

The smooth progress of the current organizational reform also forcefully shows that the correct and effective leadership of the party is a fundamental guarantee for the constant improvement of China's socialist system and the victorious development of the socialist cause. More than 3 years ago, the CCP Central Committee promptly reaffirmed to the comrades throughout the party and the people of the whole country, the need to uphold the four fundamental principles. Practice has proved that this is entirely necessary and correct. The four fundamental principles ensure the realization of the people's will, aspirations and interests from the four aspects of the social system, state power, leading force and guiding ideology. The four fundamental principles are closely related to one another and cannot be separated. Of the four principles, two are the most important: one is to uphold the socialist road and the other is to uphold the party's leadership. It is utterly impossible to uphold the socialist road without the leadership of the party. The leadership of the party which is armed with the scientific theory of Marxism is the essence and feature of socialism. On the other hand,

in judging whether the party's leadership is correct and whether it is firm, the most important thing is to see if it can lead the people in effectively upholding the socialist road, consolidating and improving the socialist system and developing the socialist cause.

The current organizational reform of the central organs has been carried out quite smoothly. This is because our party has made full preparations and has adopted correct and reliable principles and steps in the course of the reform. Fundamentally speaking, the fact that our party has been able to set forth this reform task as well as other reform tasks and fulfill them resolutely and in a responsible manner is determined by the character of the party. As a vanguard of the working class, our party regards as its historical mission the liberation of all mankind and the realization of communism. The leadership of the party over the whole country and social life is one of representing the interests, and executing the will, of the people. Its central task is to ensure that the party organizations at various levels support and lead the people in their efforts to become masters of their own affairs and help the people to be aware of their own interests and unite in the struggle to safeguard their interests. It is precisely for this reason that the party has a thoroughgoing proletarian revolutionary spirit. In all its theoretical and practical activities, the party will never cease marching, ossify or be satisfied with its achievements. Neither will it overlook the shortcomings and errors in its work. In "The Holy Family" Marx and Engels pointed out: "After achieving victory, under no circumstances will the proletariat become an absolute aspect of the society because only by eliminating itself and its opposite will it be possible for the proletariat to achieve victory." ("Complete Works of Marx and Engels," Vol 2, p 44) Under the capitalist system, the proletariat wages class struggle against its opposite--the bourgeoisie--and has the most thoroughgoing revolutionary spirit; under the conditions in which the proletariat has achieved victory and taken state power into its hands, it will not become a conservative force or an "absolute aspect" of the society, but will always be a guiding force that promotes social progress and the development of social material and spiritual civilization. This is determined by the historical position and mission of the proletariat.

As a political party of the proletariat, our party, both before and after the victory of the Chinese revolution and under difficult or favorable conditions, always stands in the forefront of the society and wages extremely arduous struggle for the sake of fulfilling the historical mission of the proletariat. The tremendous achievements of our revolution and construction have been won under the leadership of the party, the innumerable difficulties have been overcome under the leadership of the party and the serious faults have been rectified under the leadership of the party. The fact that, since the 3d Plenary Session of the 11th CCP Central Committee, our party has effected realistic and highly effective reforms, made great efforts to improve the

party and the state system and tried hard to overcome various malpractices, has again exploded the various slanders, such as those that vilify our party as a "vested interest group" and as being "bureaucratized." Facts show that bureaucratism is not an "incurable disease" of the socialist system. Moreover, only the socialist system can constantly overcome and finally eradicate bureaucratism.

The current organizational reform and the overall system reform that will be instituted later is an important guarantee for upholding the four fundamental principles and realizing the four modernizations. This great event enjoys popular support. Its in-depth development has promoted, and will continue to promote, China's socialist cause in achieving fresh victories.

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THE CHARACTERISTICS AND HISTORICAL POSITION OF MAO ZEDONG'S MILITARY THINKING

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[Article by Li Jijun [2621 7139 0971]]

[Text] During the period from the 1920's to the 1950's, the CCP led the Chinese people in launching revolutionary wars, including the war for agrarian reform, the war of resistance against Japanese aggression, the liberation war and the war to resist U.S. aggression and aid Korea.

Lasting for 25 years, these were the greatest wars in Chinese history. In the historical process in which the Chinese people launched just wars and continued to achieve victories, Mao Zedong's military thinking fully demonstrated its power as the guiding ideology. Mao Zedong's military thinking is a scientific military truth which was summed up in the long practice of war and tested repeatedly and proved to be correct in the practice of war. It is unique in the military history of the world and occupies a very important historical position.

I

In modern Chinese history, the Chinese people waged many armed struggles to change their status in the semicolonial and semifeudal society. Under the historical conditions at that time, it was impossible to summarize these struggles into scientific military theories. After the Westernization movement, China's inherent feudal military traditions were mingled with the military manuals which were mechanically copied from foreign countries, and became the basis of military thinking for the old warlords and the succeeding new warlords. After its establishment, the CCP joined in and led the northern expedition, bringing about a new atmosphere in military affairs. However, this new atmosphere was soon ruined by Chiang Kai-shek's betrayal. For this reason, the CCP independently led the people's revolutionary war after August 1927. It was definitely impossible to accomplish this arduous historical task by exclusively applying the old military theories and the military traditions. Mao Zedong's military thinking was born exactly under these specific historical and social conditions to fulfill the political task of the Chinese revolution and to suit the historical needs of the workers' and peasants'

armed struggle. Lenin said: "Historical services are not judged by the contributions historical personalities did not make in respect of modern requirements, but by the new contributions they did make as compared with their predecessors." ("Lenin: Collected Works," vol 2, p 150) Representing a stage and taking a leading position in the history of development of Chinese military thinking, the birth of Mao Zedong's military thinking indicated the establishment of a completely new revolutionary military theory of the people and marked the end of the old military concepts.

More than a century ago, Karl von Clausewitz, a Prussian military theorist, said when talking about military theories: "Probably, a great personality will appear very soon. He will give us not just a few grains, but an ingot of pure metal." However, he also pointed out with deep feeling: "A commander is not a scholar." "A distinguished commander has never come from among learned army officers." ("On War," vol 1, pp 19, 128) Even today, many people hold that "great leaders of the past seldom wrote down their philosophies on war or the causes of their military successes." ("Encyclopedia of Americana," vol 25, p 773) Precisely for this reason, Comrade Mao Zedong's military theories and his achievements in war occupied a still more prominent historical position.

In the history of war in the world, there were very few people like Comrade Mao Zedong who was both a military commander and a theorist. Thus, he was able to sum up military theories from the experiences of war which he led and to put his theories (including those summed up directly from his experience and those based on the experiences of the forerunners) into practice for repeated tests. This practice was special because many renowned militarists of the past did not engage in such practices. For example, Napoleon Bonaparte, who was called a "military giant," only left behind some military mottoes. Prussian military theorist Karl von Clausewitz and the equally famous Swiss militarist Henri Jomini, who served in the French and Russian armies, were senior staff officers for a long time but never commanded wars independently. Helmuth Karl Bernard von Moltke of Prussia commanded a war for the first time during his sixties. Although "Moltke's military operations were magnificent," he did not write any systematic military works. His successor, Alfred Gray von Schlieffen of Germany passed his life by upholding his bold strategic plans, which he never had a chance to put into practice. This determined that their military works were not based on direct practical experience and that they had no choice but to depend chiefly on studying indirect experience in the history of war.

None of the influential bourgeois militarists in the history of military thinking can match Comrade Mao Zedong whether in world outlook and the scientific and progressive nature of methodology or in the depth and width of the scope of the practice of war.

Having salient features differing from ordinary military theories, Mao Zedong's military thinking naturally was highly esteemed by foreign military critics. Some said: "The best exposition of the communist military theories was not

found in the Soviet writings but in the Chinese writings." (Henry Kissinger: "Nuclear Weapons and Diplomatic Policy") Others commented: "Mao Zedong was a military leader who directed the Chinese revolutionary war for 22 years and led it to victory. He was also a military theorist who created the theory of people's war, which was creditably a real Marxist military theory, and the relevant strategies and tactics." (Kan Shishido: "Formation and Development of Mao Zedong's Military Thinking") Of course, the theoretical value and historical position of Mao Zedong's military thinking are not determined by the praises people have made of it but by its scientific nature. Being constantly superior in strategic guidance, Mao Zedong's military thinking succeeded in guiding the Chinese people to achieve great victories of the revolutionary wars even under the conditions where our forces were greatly outnumbered by the enemy forces. This fully shows that it is a truth compatible with realities.

II

Mao Zedong's military thinking is very rich in content. As seen from the angle of philosophic thinking, it includes the revolutionary view on war, the epistemology on questions concerning war, and dialectics in military affairs. As seen from the angle of army building, it includes the principles of building the people's army, the line guiding people's war and the strategies and tactics of people's war. Mao Zedong's military thinking is a scientific system formed and developed on the basis of Marxist-Leninist theories, rich military and historical knowledge and direct experience of war. It chiefly stemmed from the practical experience of China's revolutionary wars. The process of its growth into maturity and into a complete system was a process of continuous practice. Its birth, formation and development chiefly covered the following several important stages and procedures: 1) In August 1927, the notion that "political power is won through the barrel of a gun" was put forth and armed uprisings were launched by directly using "the name of the CCP as a clarion call" instead of using the name of the KMT left-wing, thereby clarifying the idea that our party independently led the armed revolution. 2) In the spring of 1928, the preliminary operational principles in guerrilla warfare hallmarked by the "16-character formula" ["the enemy advances, we retreat; the enemy camps, we harass; the enemy tires, we attack; the enemy retreats, we pursue"] took shape. 3) In the autumn of 1928, a probe into the theory of rural independent armed regimes hallmarked by the two articles "Why Is It That Red Political Power Can Exist in China?" and "The Struggle in the Jinggang Mountains" was conducted. 4) At the end of 1929, the principles on building the army hallmarked by the Gutian congress resolution began to take shape. 5) From 1936 to 1938, the theories on strategic defense (including those on the three-in-one armed forces system, the strategic changes resulting from the changes in position of the three operational forms, and the principles on active defense characterized in strategy by protracted defensive warfare on interior lines and by the quick-decision offensive warfare on exterior lines in campaigns and battles) represented by "Problems of Strategy in China's Revolutionary War" and "On Protracted War" were formed.

6) From 1947 to 1949, the theories of strategic counterattack and strategic attack hallmarked by the "10 major military principles" and the commands in the three major campaigns were formed. 7) From 1951 to 1952, the operational principles of modern anti-aggressive war hallmarked by the policy of mobile warfare characterized by small-scale tactical encirclement and small-scale battles of annihilation and by the policy of positional warfare characterized by tactical counteroffensive were put forth. 8) From 1952 to 1953, the theory hallmarked by the "four directives" on building a modernized defense army was put forth.

From the above course, we can see that Mao Zedong's military thinking is not a conclusion on the necessity, the causality and other laws of war drawn purely from reasoning or from individual or superficial phenomena, but is the distillation of theories which have taken deep root in the soil of the practice of war. For example, the operational principles represented by the "16-character formula" for guerrilla warfare came into being after our army underwent the practice of operations for 8 months after its establishment. A complete set of theories for guiding the war of resistance against Japanese aggression was put forth after 10 months of practice in the war. The principle of "concentrating a superior force to destroy the enemy forces one by one" was put forth some 2 months after the start of the liberation war and the "10 major military principles" were summed up and put forth 1 1/2 years afterwards. The principle of operations against the United States and British armies was put forth 6 months after the outbreak of the war to resist U.S. aggression and aid Korea. These examples vividly demonstrate this point. For another example, the development from the tactics expressed by "the enemy advances, we retreat" to the method of "luring the enemy in deep" in campaigns and further to "active defense" strategically, and the development from choice of positions in campaign and tactics to "taking the creation of a battlefield as a strategic task" were unique military principles which had been gradually summed up during the practice of protracted revolutionary wars.

Mao Zedong's military thinking stemmed from the practice of war, but this was not only Comrade Mao Zedong's personal practice. It was an embodiment of collective struggle and wisdom. After repeatedly going through the course of participating in and understanding the war, the whole party and the whole army gradually pooled the experience of planning and commanding each battle and summarized it into a relatively complete set of laws reflecting a certain aspect. Comrade Mao Zedong refined and processed these laws and condensed them into general policies and principles guiding the revolutionary wars. The Chinese revolutionary wars took place for a long time in different bases and strategic areas which were not connected with each other. These specific environments raised for our party a group of militarists who could each take charge of a locality independently and who actually participated in the work of building the theoretical edifice of Mao Zedong Thought. In particular, Zhou Enlai, Zhu De and other comrades made major contributions. For example, the birth of the "10 major military principles" could be traced back to the orders and directives given by the Central Military Commission in 1930 and 1931 and to the summing up of experiences of the tens of battles of a relatively

large scale conducted on various battlefields during the early period of the liberation war. The rich content and the great vitality and fighting capacity of Mao Zedong's military thinking should be chiefly attributed to collective creation. Within this collective, Comrade Mao Zedong not only showed his own creativity but also epitomized the collective creation. His great contribution cannot be denied.

Comrade Mao Zedong's military theories were first of all a continuation of the Marxist-Leninist military theories and also an enrichment and development of the Marxist military theories. Applying the dialectical and historical materialist viewpoint, Marx, Engels, Lenin and Stalin critically inherited their predecessors' achievements in the study of war, summed up the experiences of war in their times, including their own experiences, and created the theoretical base for a proletarian military science. Mainly basing himself on the rich experience of the Chinese revolutionary wars, Comrade Mao Zedong inherited and further developed the Marxist-Leninist military theories and made unique contributions. The new contributions made by Mao Zedong's military thinking toward the Marxist-Leninist military theories were chiefly shown in these three aspects: First, the road of waging armed struggle by encircling the cities from the rural areas and then capturing them was suggested. Second, all-round epistemology and methodology for studying and guiding the war were put forth. Third, comprehensive principles for building the people's army and strategies and tactics for people's war were put forth.

Military theory, as the abstract description and summarization of many wars, is the result of the accumulation of the experience of countless wars in history. The theory of a military theorist can never be entirely based on his own direct experiences. Proletarian military science never rejects any useful things of the past. On the contrary, the establishment of the proletariat's own military science is only possible when a thorough understanding of all the military theories that have been created in the whole process of the development of human race is achieved and when the work of choosing and reforming the previous military theories has been done in accordance with the experience and needs of the proletariat. Besides, inheriting Marxist-Leninist military theory and summing up the experience of the Chinese revolutionary wars, Mao Zedong military thinking has, of course, critically assimilated all the achievements of the ancient Chinese and foreign military theories. It has inherited and developed the fine legacy of military theories of mankind as well as rejected the old and wornout military concepts. It is a Marxist military science marked with Chinese style and Chinese characteristics.

We, the Chinese nation, are a nation that is good at philosophical thinking. Ancient Chinese military thoughts appeared nearly at the same time as philosophical thought appeared and was separated relatively early from philosophy and became an independent branch of learning. European military theory came into being mainly through the narration of war history. However, the appearance of Chinese military theory, from its very beginning, was characterized by its summing up of the experience of wars from the angle of philosophy. China's earliest military theory is found in the ancient books, such as "The Book of Changes" and "The Book of History." Later, there emerged

books such as the "Military Treatise of Sun Wu" and the "Military Treatise of Sun Bin," which were devoted to summing up war experience and which scored the greatest achievements in military theory during the cold-weapon period. Comrade Mao Zedong knew Chinese classics well and in his military works he cited many ancient Chinese battles and military thought before the Qing Dynasty to explain his theory. What he especially cited were some principles in the "Military Treatise of Sun Wu" such as "a general who knows both the enemy and his own troops never suffers any failures," "avoiding fighting the enemy when it is spirited and fresh and attacking it when it has become sluggish and wants to go home," "resting well to fight the enemy when it is tired out," and "attacking the enemy by surprise." Besides, he also used some ancient Chinese narrative forms. For example, the "sixteen character doctrine" has some things in common with the four character doctrines in our ancient military treatise. Of course, when Comrade Mao Zedong cited ancient military principles, he further developed them. Here we can see that Mao Zedong's military thinking is of Chinese style and has Chinese features but it is completely free from the malpractice of sticking to old doctrines.

III

Mao Zedong military thinking has also critically assimilated certain aspects of military experience that bourgeois military theorists have summed up. However, it did not "originate from Karl von Clausewitz" as some foreign commentators would have us believe. Before Comrade Mao Zedong read Clausewitz' "On War," he had already written some of his relatively comprehensive works on military theory, such as "Problems of Strategy in China's Revolutionary War." It was not until May 1938 when he wrote "On Protracted War," that he, for the first time, cited some of Clausewitz' ideas, such as "war being the continuation of politics," "depriving the enemy of its power of resistance," and "probability." However, in assimilating these ideas, Comrade Mao Zedong acted just like Marx in assimilating Hegel's upside-down dialectics. He took its rational core and transformed it into new theoretical principles.

First let us look at the proposition that wars are the continuation of politics. Viewed by Clausewitz, a war is "only caused by the political contacts between governments and between peoples" and it is the substitution of the politics of diplomatic documents with the politics of fighting. ("On War," vol 3, pp 894, 898) Here we can see that in Clausewitz' opinion, the ultimate cause of a war is politics, but this politics means only the politics related to the diplomatic affairs of the state and does not include the politics related to classes and national oppression. Therefore, he did not take into account class liberation wars and national liberation wars or regard these wars as the continuance of politics. By raising the idea that "a war is nothing but the continuation of political contacts by another means," Clausewitz only showed the relation of dependence between war and politics in the narrow sense as he understood it. Thus he failed to disclose the ultimate cause of wars--class contradictions and conflicts of economic interests. This may probably explain

why, although Marx and Engels cited Clausewitz and his "On War" more than a dozen times, they never mentioned his important proposition that war was the continuation of politics. In Engels' letter to Joseph Weydemeyer, he said: "...Clausewitz wrote some fine things, but what he wrote does not completely suit my taste." ("Collected Works of Marx and Engels" vol 28, p 583) In fact, at that time, Marx and Engels had studied the ultimate causes of wars from the angle of economics and their understanding of these causes were deeper than Clausewitz'. In their early works, Marx and Engels had clearly pointed out that, "according to our viewpoints, all conflicts in history originated from the contradictions between the productive forces and the forms of exchange." ("Collected Works of Marx and Engels" vol 3, p 83) When Lenin cited Clausewitz' idea of war being the continuation of politics, he imbued the word "politics" with the content of class struggle. Comrade Mao Zedong inherited the Marxist-Leninist thesis on the causes of wars and pointed out that "war is the highest form of struggle between nations, states, classes or political groups," and by these words, he expounded on this thesis in a concrete and simple manner.

Second, let us consider the problem of "depriving the enemy of the power to resist" (in the new translation, it is translated into "Making it impossible for the enemy to resist." Please refer to "On War"). Clausewitz thought that this was the "goal of war actions." Although he also mentioned wiping out the enemy troops and preserving one's own troops, he stressed "the attempt to preserve one's own army is a goal of a passive nature." ("On War" vol 1, p 63) Comrade Mao Zedong made a dialectical explanation and used the principle of "preserving one's own troops and wiping out the enemy" in accordance with the characteristics of the Chinese revolutionary war. Strategically, the Chinese Red Army was in a weak position, and therefore, it could not help but treat the problem of preserving itself as an important issue and it had to fight "leftist" adventurism. Under the situation of the enemy being strong and our troops being weak, it had to oppose the carrying out of a strategic final battle in which the destiny of the state was gambled. By citing the saying "So long as the mountain remains, we shan't lack fuel," he meant that we had to preserve ourselves. At the same time he also pointed out that only by wiping out the enemy could one effectively preserve one's own troops. Therefore, in a battle or a fight, we should gather a superior force to carry out decisive engagements in favorable conditions and he pointed out that "in doing this we should never be passive." These principles that Comrade Mao Zedong put forth are of great guiding significance for the revolutionary armed force in its initial stage of preserving its forces and gradually developing and strengthening itself.

Third, let us have a look into "probability" in wars. (Probability means making an estimate on the basis of a large number of phenomena, of the possibility of the occurrence of a fortuitous event. In military theory, it often means the uncertainty of the results of wars.) Clausewitz thought that if the factor of fortuity was added to "probability," "a war would become a gamble," that "wars are like gambling whether judged by their objective

nature or by their subjective nature" and that "in wars, there are only possibility, probability and lucky and unlucky activities." ("On War" vol 1, pp 41, 42) This agnostic viewpoint of Clausewitz' on problems related to wars had an extremely widespread and profound impact on bourgeois military science. Over the past more than a decade of time, many theorists and statagists have repeatedly expounded on these viewpoints in different forms. We do not deny that bourgeois military thinking reflects some aspects of the laws of war. This is because the cruelty and realistic significance of the results of wars have forced the commanders of wars who have not mastered the scientific world outlook to adapt themselves to the reality in directing battles and thus enabled them to have summed up something of the nature of the laws of war from the continuously repeated military phenomena. However, when they come to the problem of how we are to understand wars as a whole, and the problem of foretelling the results of wars, they inevitably return to the agnostic and idealist viewpoints. During World War II, at a critical moment when a well-known general was commanding the war in Europe, he told the troops' pastor to publish a prayer begging the Heavenly Father "to grant fine weather to facilitate the fighting." This was precisely a manifestation of how a commander in a way yields to fortuitous factors and becomes idealist. A converse extreme is the mechanical viewpoint on war. Those who uphold the mechanical viewpoint on war think that the laws of war will never change. They often think that what they expect will actually occur. They deny fortuitous factors and confuse possibility and reality; therefore, in wars they often become the victims of their own one-sided understanding and blind self-confidence. During World War II, France suffered defeat because it used the experience of the previous world war; the Soviet Union aggravated its losses because it neglected the theory of strategic defense and kept on ordering its troops to carry out strategic attacks when they suffered setbacks at the beginning of the war. In commenting on these lessons, some people cited Yan Fu's words that "the malpractice begins in the academic field but ends in bringing disasters to the state." These words were well cited.

In "On Protracted War," Comrade Mao Zedong cited the concept of "probability" that was mentioned by Clausewitz in his "On War," and used it as a supplement to the inevitability in the development of war which he expounded in "Problems of Strategy in China's Revolutionary War." However, the conclusion he reached was completely different from Clausewitz'. He pointed out that "we admit that the phenomenon of war is more elusive and is characterized by greater uncertainty than any other social phenomenon, in other words, that it is more a matter of 'probability.'" However, "it is possible for a commander to reduce errors and give generally correct directions, first through all kinds of reconnaissance and then through intelligent inference and judgment." ("Selected Works of Mao Zedong" vol 2, p 458) From the above-mentioned viewpoint, he put forth the line of logic for understanding military affairs and directing war including the line of logic for the operations of reconnaissance, judgment, decisionmaking and deployment. He raised the idea that we should regard both the enemy and ourselves as the objects for us to understand and that the process of understanding the situation should not only

include the period before the military plan was formulated, but also the period after the plan was formulated. Thus we could make new judgments and new decisions in accordance with development and changes in the situation. He also stressed that in planning a war, we should treat the possible appearance of the most complicated and difficult situation as our starting point, be "prudent in launching the first battle," and "never fight a battle without making necessary preparations and never fight a battle that we were not sure to win." By so doing, he unified to the utmost the probability and inevitability of the results of war and solved the contradictions between the predetermined nature of subjective directions and the fortuity of objective reality. These expositions on the dialectic development and transformation of the various factors of war are a significant creation both in military theory and in practice. Comrade Mao Zedong's contributions in the epistemology and methodology of war were not in any way second to his contributions in putting forth concrete principles for building up the army and the concrete principles of fighting.

IV

The process of the emergence and development of Mao Zedong military thinking showed that Mao Zedong military thinking never stopped at a specific level. Comrade Mao Zedong never declared that the military principles that he put forth were the ultimate truth and would eternally remain changeless. He applied the Marxist-Leninist development viewpoint on military theories and clearly pointed out that Marxism-Leninism would progress and develop without cessation, the 10 principles should develop and new ideas should be added to them and some of the principles might be revised in future. "All the laws for directing war develop as history develops and as war develops; nothing is changeless." ("Selected Works of Mao Zedong" vol 1, pp 157, 158) In regard to Mao Zedong military thinking, we should adhere to the attitude of developing it on the basis of inheriting it and the attitude of inheriting it in the process of developing it. Conversely, if we develop it without inheriting it or if we inherit it without developing it, we will be acting in violation of the law governing the development of science.

That military theories should be inherited and transformed is determined by the fact that the factors of military means, military goals and the circumstances of wars have both the nature of stability and the nature of continuous change. No war can be completely new in every aspect nor can it be entirely a repetition of any previous war. The epistemology, methodology and certain basic principles and doctrines of Mao Zedong military thinking will undoubtedly continue to play a guiding role in our current construction of national defense and in our future anti-aggression wars. This is because, compared with the previous revolutionary wars, our most fundamental issues and characteristics, such as those about the enemy being strong and we being weak, and those related to the people's army, the people's war and the strategy of positive defense, remain unchanged. However, it is not sufficient to just adhere to the existing principles. History develops and so does war. We should develop Mao Zedong military thinking in accordance with the new situation and the new needs.

Regarding problems related to military theory, we should oppose two kinds of erroneous trends. An empiricist thinks that only by abandoning theory can we be emancipated from the fetters of theory, but the fact is that if we are divorced from the guidance of theory, we can never make progress. On the other hand, a dogmatist thinks that only by copying the existing theory can we avoid going astray, but he always takes a wrong path because he walks ahead while looking back at the light behind him. Comrade Mao Zedong pointed out that "we should seriously study these lessons, paid for in blood, which are a heritage of past wars. That is one point. But there is another. We should put these conclusions to the test of our own experience, assimilating what is useful, rejecting what is useless, and adding what is specifically our own. The latter is very important, for otherwise we cannot direct a war." ("Selected Works of Mao Zedong" vol 1, p 165) Under the new historical conditions, some parts of Mao Zedong military thinking obviously need to be revised and replenished. For example, the method of command in the anti-aggression wars in the future will be different from those we adopted during the war of resistance against Japan. At that time, there were two state powers in China, which led the fighting in two battlefields--the regular battlefield under the leadership of the Kuomintang and the battlefield behind the enemy's back under the leadership of our party. Because the Kuomintang carried out a policy of passive resistance, the fighting in the regular battlefield failed to play its due role and the heavy task of the war had to be shouldered by our party in fighting behind the enemy's front. Some of the theory and principles for guiding the war that Comrade Mao Zedong put forth at that time are mainly to be applied in the battlefield behind the enemy's front. In the antiaggression wars in the future, both the regular battlefield and the battlefield behind the enemy's front will be under the unified leadership of the CCP Central Committee and the CCP Central Military Commission. Therefore, we will have to discuss and research the construction and coordination of the two battlefields and the operations of and coordination between positional warfare, mobile warfare and guerrilla warfare in accordance with the new situation.

The most basic requirement in inheriting and developing Mao Zedong's military thinking is to use his stand, viewpoints and methods to study the new situation and solve new problems in the current construction of our national defense and the anti-aggression wars in the future and is not to mechanically copy the words of the revolutionary instructor. Engels called on the Marxists in various countries "not to rigidly cite Marx' and Engels' words and called on them to think over problems like Marx did in accordance with the conditions of their own country. Only in this sense, can the word 'Marxists' have 'raison d'etre.'" [published in Roman letters] ("Reminiscences of Marx and Engels" p 383) These words also correctly apply to Mao Zedong military thinking. We should persist in utilizing Mao Zedong military thinking, especially its scientific espiemology and methodology on war problems as guidelines in studying the new situation and solving new problems. We should abandon the principles that are out of date, perfect those that are not perfect and add to them the military principles that are necessary for the construction of modern national defense and for the anti-aggression wars in the future. Only by so doing, can we further develop, on the basis of firmly inheriting Mao Zedong military thinking, the Marxist military science that is suited to the special features of China and that is characterized by Chinese style.

THE FUNDAMENTAL RIGHTS AND DUTIES OF CITIZENS IN OUR COUNTRY

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[Article by Wang Shuwen [3769 0647 2429]]

[Text] The fundamental rights and duties of the citizens have a bearing not only on the personal interests of the hundreds of millions of people but also on the prosperity and power of the country. Hence, they play a very important role in the life of the nation. Based on a summary of the historical experiences of our country, having regard to the actual conditions of our country and complying with the principles of socialist democracy and socialist statutes, the revised draft of our constitution has made definite and clearcut regulations concerning the fundamental rights and duties of our citizens. It has incorporated new articles and new contents and, in comparison with the previous constitution, has made new developments. It provides the basic criteria governing activities in the relations between citizens and the state and society, and between the citizens themselves.

Principal Special Points of Regulations Governing the Fundamental Rights of Citizens as Prescribed in the Draft Constitution

In essence, the rights of citizens of our country possess the special features of socialism. These special features are determined by the nature of the socialist system of our country and the people's democratic dictatorship. In the draft revision of the constitution, the provisions on the fundamental rights of the citizens of our country take the form of a basic legal code which summarizes and puts on record the enormous achievements of our people under the leadership of the Chinese Communist Party in the course of the prolonged revolution and construction. These provisions embody principally the following special points:

First, they fully demonstrate the democratic principles of socialism. Socialist democracy, which is the same as people's democracy, not only has reference to the individual rights of the citizens, or the democratic demeanor of the cadres, but first and foremost refers to firmly protecting the most basic rights of the people of being the masters of the country. On the provision of the fundamental rights of the citizens, the draft revision first of all sets its

foot precisely on how to fully protect the rights of the people as masters of the country. The draft prescribes that the people can wield national power through the national people's congress and the people's congresses of the localities at various levels. It also embodies a series of new provisions on improving the system of the people's congresses in order to safeguard the people's right of ruling the country. In order to give full protection to the vast masses of the people as masters of the country, to rely merely on representatives' organs to govern the country is not sufficient. It is necessary to expand socialist democracy to the various aspects and spheres of political life, economic life, cultural life and social life. Just as Lenin pointed out: "People want to have a republic, for the purpose of teaching the populace to proceed in the direction of democracy. What is needed is not merely representatives' organs of a democratic nature but rather the establishment of a system whereby the populace can govern the whole country from the basic levels, thus letting the people actually take part in the various phases of life and to allow the populace to play an active role in governing the country" ("Collected Works of Lenin," Vol 24, pp 153-154). For this reason, the draft provides that the people have the right, by means of various channels or forms prescribed by law, to administer the affairs of the state and to administer the economic, cultural and social affairs. In addition, it provides the establishment, in cities and towns, and in the countryside, of residents' committees and villagers' committees as the basic-level autonomous organs of a popular nature. It also provides the enforcement of democratic control in state-run enterprises and in the economic organs of the collectives. In this way, the draft provides that from the central government to the basic level and in the various phases of political life and social life, socialist democracy be exercised, thereby protecting the rights of the people as the masters. At the same time, socialist democracy envisages the rule of by far the great majority of people. It has never been recorded before in history that the entire people, led by the working class, have really become the masters of the country. Hence, in its provision on the fundamental rights of the citizens, the draft starts from the fundamental interests of the whole people. For example, in order to strengthen the people's supervision of the government's working personnel, the draft provides various kinds of effective measures to supervise them such as concerning their election, appointment or dismissal, censuring and criticism, complaints against law-breaking activities or negligence in duty, filing suits in court, reporting offenses, demanding compensation, and so on. All these provisions have an important bearing on making the government workers overcome their bureaucratism, increase their working efficiency, truly represent the people's interests and strive to serve the people. However, the draft carries no provision for the freedom to strike. This is because our country is a socialist country under the leadership of the working class. The interests of the country are identical to the fundamental interests of the working class and of the other laboring masses and the working masses can, by means of the above-mentioned proper channels, express and realize their legitimate demands. Practice has shown that stipulating the right of freedom to strike is of no practical significance.

Second, citizens are all equal before the law. The draft retains the provision in the 1954 constitution to the effect that in law all citizens are equal but the phrase "in law" [fa lu shang 3127 1774 0006] is changed to "before the law" [fa lu mian quan 3127 1774 7240 0467]. This is because some comrades have misinterpreted the phrase "equal in law" to mean not only equal in the application of law but also equal in legislation. Our constitution has all along stipulated the suppression of the traitorous and counter-revolutionary activities of a small bunch of class enemies. This illustrates that in legislation citizens are not all equal. Within the people, and speaking from the standpoint that equality envisages the elimination of classes, then people are equal in legislation. But this does not mean that citizens do not differ from one another, or are absolutely equal, in rights and duties. For example, the 1954 constitution of our country provides members of the people's congress with the right of exemption but this is denied to other citizens. Hence, the draft provides that citizens are all equal in the application of the law. This makes it more clearcut and solemn. That citizens are all equal before the law carries the following meanings: 1) every citizen enjoys equality in the rights prescribed in the constitution or by law; 2) every citizen enjoys equality in the performance of the duties prescribed in the constitution or by law; 3) citizens are all equal in the application of the law; before the law, nobody enjoys any special rights. That citizens are all equal before the law is a constitutional principle of socialism. Although constitutions of the capitalist class pretend that all people are equal before the law, yet the exploitation system of the entire capitalism and the protection given to the special rights of capitalists by the governments of capitalist countries lower the vast masses of working people to the status of having no rights at all. The resumption or retention of this important principle embodied in the 1954 constitution is extremely important in fostering socialist democracy and safeguarding the fundamental rights of the citizens.

Third, the extensive and real nature of the citizens' fundamental rights. The extensive nature of the fundamental rights enjoyed by citizens of our country as provided for in the draft constitution is seen in two aspects. First, the number of people enjoying the rights is an extensive one. In our country, since the elimination of the exploiting class, the number of people enjoying political rights has steadily increased. The number of people who enjoy the right to elect and to be elected is now over 99.9 percent of the total number of people over the age of 18. Second, the scope of the enjoyment of rights is extremely extensive. It embodies various aspects such as politics, people, economics, culture, society and family. The draft makes certain new provisions relative to the fundamental rights of citizens. For example, it provides the right to criticize and to make suggestions to government employees, firmly protects the rights of the individual and insists on the noninfringement of the honor and character of the individual. At the same time, concerning the stipulation of the fundamental rights of our citizens, the draft possesses the special feature of reality. This feature of reality is firmly implanted in the provision of the socialist system of public ownership of the means of production. This builds a powerful material foundation for the realization of the fundamental rights of citizens. Second, the stipulation of the

fundamental rights of citizens of our country in the draft emerges completely from the realistic and actual conditions of our country and is entirely workable. For example, certain rights of the citizens, such as the freedom of residence and removal, or changing the place of abode, were stipulated in the 1954 constitution but practice has shown that under the present conditions of the economic development of our country they still cannot be guaranteed for sure. Hence, this time they were not written into the draft. In addition, concerning the ways and means to ensure the realization of the citizens' rights, the draft adopts a realistic and scientific attitude. For example, on such matters as improving the labor conditions, strengthening labor protection, and raising labor compensation the draft provides for gradually carrying them out on the basis of the development of production. On such other matters as the establishment of various kinds of schools and educational development, it is realized that depending solely on the power of the state is insufficient. Hence, the draft provides the state to take up the tasks but also encourages the use of society's power to carry them out, in this way stirring up enthusiasm from various sides. The constitutions of the capitalist class do have high-sounding provisions for the fundamental rights of citizens, but in reality, they are enjoyed by a minority group of people comprising the capitalists while as far as the vast masses of the working people are concerned, the constitutions represent merely scraps of paper. Thus, there is a striking contrast between the extensive, and true and honest, nature of the provisions in the draft constitution concerning the rights of citizens and the narrow and fallacious nature of the provisions on the fundamental rights of citizens in the constitutions of the capitalist class. This is an important illustration of the superiority of the socialist system over the capitalist system.

Principle of the Indivisibility of the Citizens' Rights and Duties as Prescribed in the Draft Constitution

One outstanding and special feature of the provisions on the rights and duties of citizens in the draft constitution is found in Article 32 which stipulates the "indivisibility between the rights and duties of the citizens." This provision is made into a constitutional principle which permeates all the articles in the chapter on "fundamental rights and duties of citizens" from beginning to end. The indivisibility between rights and duties is a basic concept of Marxism. It is an important principle in a socialist constitution and reflects the inevitable law of the social development of mankind.

In the long history of mankind's social development, exploitation and class distinction did not exist in the primitive society. Rights and duties were closely joined together and there was no distinction between them. Just as Engels pointed out: "Inside the clan system, there is no distinction between rights and duties. To the Red Indians it matters not whether such matters as participation in public affairs, or avenging by blood or accepting a ransom are rights or duties. To them, to ask such questions is just as absurd as asking whether eating, or sleeping, or hunting is a right or an obligation" ("Selected Works of Marx and Engels," Vol 4, p 144). Following the emergence of private property and class distinction, rights and duties are

divided. Under the slave society and the feudal society, the law openly gives rights to the slave-owning class and the feudal landlord class, but places the burdensome duties on the shoulders of the slaves and the peasants. Laws of the capitalist class employ equality in name to cover up inequality in fact and thus to maintain the rule and special rights of the capitalist class. Just as Engels pointed out: in the society of the exploiting class, "the distinction and antagonism between rights and duties can be distinguished by the most foolish people since nearly all the rights are given to one class, while, on the other hand, nearly all the duties are lumped on another class" ("Selected Works of Marx and Engels," Vol 4, p 174). It can thus be seen that in a society of the exploiting class, the division of rights and duties reflects class oppression and exploitation. Against this dislocation between rights and duties in a capitalist society, Marx pointed out that following the victory of the revolution of the proletariat, rights and duties must be closely joined together and "there cannot be any right that is devoid of duty nor any duty that is devoid of right" ("Selected Works of Marx and Engels," Vol 2, p 137). Based on the Marxist theory of the reciprocal relations between rights and duties and also on the realistic and concrete conditions of our country, the draft constitution makes the stipulation of the indivisibility of rights and duties as a constitutional principle and gives it a concrete manifestation along the following lines.

First, the enjoyment of rights by the citizens is safeguarded by the constitution and by law. At the same time, citizens have the obligation not to misuse their rights. After having provided for the rights and freedom of the citizens, the draft constitution provides as follows: "When exercising their rights and freedom, citizens cannot bring about any damage to the interests of the state, society, or the collective, nor to the legal freedom and rights of other citizens." This provision precisely emphasizes the principle of the indivisibility of rights and duties. For example, when citizens exercise their freedom of speech, publication, congregation, forming of societies, parades or demonstrations, they must follow the concrete regulations fixed by law concerning such freedom. Such freedom must not be abused to damage stability and unity or to endanger social security or disrupt public order. Some people are of the view that the freedom and rights of citizens should not be restricted. This view is erroneous. All along the legal concept of Marxism has held that law is the manifestation of the will of the ruling class and is the tool of the ruling class. Any ruling class, when stipulating the rights of the citizens in its legal codes, emerges from the starting point of safeguarding the fundamental interests of the class itself. Acts which damage its own fundamental interests will not be tolerated and, if committed, will be dealt with by law. For this reason, in the world no absolute and unrestricted right or freedom has ever existed. In our country, no one will be allowed to infringe on the interests of the state or of the people for the benefit of an individual or a minority group of people. So-called freedom which damages the interests of the state and the people must logically be restricted and forbidden. Only in this way will it be possible to establish good order in society, in production, in work and in life, to effectively maintain the socialist system and ensure the smooth progress of the four modernizations.

Second, at the same as enjoying the rights provided for by the constitution and by law, citizens must perform the duties prescribed by the constitution and law. As for the fundamental duties of citizens, the draft constitution makes the same provisions as those in the existing constitution such as those stipulating the maintenance of the country's unification and the unity of nationalities, obedience to the constitution and law, love and care of public property, observance of labor discipline, observance of public order, respect of social virtue, safeguarding state secrets, protection of the motherland, and military service as prescribed by law. At the same time, the draft stipulates that citizens have the obligation of guarding the safety, honor and interests of the motherland. In addition, the draft retains the provision in the 1954 constitution to the effect that citizens have the obligation of paying taxes as prescribed by law. So far as the state and people are concerned, both the correct exercise of the rights of the citizens and their spontaneous performance of the duties occupy a place of importance.

Third, the draft constitution changes the provision in the past constitutions which states that "citizens have the right of labor" to "citizens have the right and duty of labor" and changes the provision that "citizens have the right to receive education" to "citizens have the right and duty to receive education." These revisions even more clearly illustrate the principle of the indivisibility of rights and duties. In fact, the question of the citizens' labor and receiving education not only concerns the question of the citizens individually enjoying the right of labor and of receiving education but also concerns the improvement of the workers' enthusiasm and scientific and cultural level and also the big question of ensuring the building up of a high degree of socialist material civilization and spiritual civilization. Hence, that the draft provides that labor and receiving education are both rights and duties precisely illustrates the high degree of combination of the citizens exercising their rights and at the same time performing their duties.

Under our country's socialist system, the combination of rights and duties is not only possible but also necessary and is of extreme significance. The reasons are: 1) because of the elimination of the economic basis for the division of rights and duties, the rights and duties of the citizens are unanimous and, as prescribed by law, each and every citizen enjoys rights and performs duties. There is no possibility of anyone just performing duties without enjoying rights. Nor is there any possibility of anyone just enjoying rights without performing any duties. 2) The Unanimity of the interests of the state, the collective and the individual, the unification of democracy and centralization, and the unification of freedom and discipline are denoted by law in the unanimity of rights and duties. 3) The citizens' rights and duties possess an equally important significance and have the function of promoting each other. The more the rights of citizens are safeguarded, the more advantageous it is to raising their political zeal and enthusiasm for production and to enabling them to spontaneously carry out their duties. Conversely, the more the citizens perform their duties, the

greater the development that can be achieved in the four modernizations and the more the protection can be accorded to the rights of the citizens.

4) Rights and duties have the same objective. Be it the exercise of rights or the performance of duties. There is a common objective. This is: ensuring the triumphant development of socialist modernization, consistently improving the social productive force, and gradually upgrading the material and cultural life of the people. Precisely in this way, the provision in the draft constitution of the indivisibility of the rights and duties of the citizens will arouse the vast masses of the people to display their spirit of being the masters of the country, to correctly exercise their rights, to faithfully carry out their duties, and, assuming the posture of masters of the country, to do a good job of ruling and building our great socialist nation.

The Draft Constitution's Provision of the Fundamental Rights and Duties of Citizens Fully Illustrates the High Degree of Combination of Socialist Democracy and the Socialist Legal System

Socialist democracy is a democracy which provides firm protection to the vast masses of people as masters of the nation. It represents an extensive type of democracy which no capitalist country in the world can have and is therefore a democracy of high caliber and a new type of democracy. However, it must be noted that our socialist democracy is still not perfect and must be further strengthened and improved, so that a highly democratic socialist political system can be gradually evolved. In order to play up socialist democracy, we must strengthen the socialist legal system.

Just as the communique of the Third Plenary Session of the 11th CCP Central Committee pointed out: "For the sake of safeguarding the people's democracy, the socialist legal system must be strengthened so as to have it democratized and legalized, so that this system and law are stabilized, continuous and highly prestigious, and so that a stage is reached where there are laws to be enforced and they must be enforced and where the laws are strictly enforced and all law-breaking acts are sternly prosecuted." Socialist democracy is the foundation of the socialist legal system while the socialist legal system is the guardian of socialist democracy. Any attempt to have socialist democracy and the socialist legal system cut apart and opposed to each other is erroneous. The provisions in the revised draft of the constitution concerning the rights and duties of the citizens precisely effect a strong combination of the efforts to develop socialist democracy and to strengthen the socialist legal system. They provide the foundation for the systematization and legalization of socialist democracy and also constitute a legal basis for strengthening the socialist legal system.

The chapter on "the fundamental rights and duties of citizens" in the draft constitution begins with clearly stipulating two important principles, namely, that "all citizens are equal before the law," and that "the rights and duties of citizens are indivisible." These two principles are the principles of socialist democracy and are also the principles of the socialist legal system. In order to carry out these two principles in a thoroughgoing manner, in the

series of articles on the fundamental rights of the citizens, the draft constitution, while providing that the citizens of our country enjoy extensive and real rights, simultaneously prescribes certain really effective measures to prevent the infringement of the rights and freedom of citizens. For example, the draft provides that there must be no infringement of the personal freedom of citizens, that there must be no illegal arrest or any other measure to illegally take away or restrict the personal freedom of citizens, and that illegal body searches of citizens must be prohibited. This is a summary of lessons taken from the "Great Cultural Revolution." On the other hand, in another series of articles, the draft stipulates that the citizens of our country must not misuse their rights and must carry out their duties. These provisions are beneficial to the strengthening of the socialist legal system.

At the same time, in fostering the development of socialist democracy, the draft augments and develops the basic political system of the people's congress. It stipulates that the basic-level units must carry out the democratic management system to be participated in by the vast masses of the people and also provides for a definite system for the safeguarding of the fundamental rights of citizens. All these provisions aim at forming a legal basis to systematize and legalize socialist democracy and to provide a legal background for further legislation work in this connection. Concurrently, the draft makes definite provisions concerning the status and function of the constitution, the need for the state to protect the unity and dignity of the socialist legal system, to ensure that none of the laws, statutes and regulations contradict the constitution, to protect the basic principles covering the organization and activities of the people's court, the due observance of the law by all organizations and citizens, and so on. These provisions are not only of important significance in strengthening the socialist legal system, but also provide a legal basis for legislation, judicature and law abidance. Much of the content of the various provisions in the draft constitution on developing socialist democracy and strengthening the socialist legal system is not only directly related to the fundamental rights and duties of citizens but also plays an important role in ensuring the enjoyment of rights and the performance of duties on the part of the citizens.

Summing up what has been said above, it can be seen that the provisions in the draft constitution concerning the fundamental rights and duties of the citizens of our country constitute a triumphant conclusion to the prolonged struggles of the people of our country. They demonstrate the superiority of the people's democratic dictatorship and the socialist system. They embody extremely important significance in developing socialist democracy, augmenting the socialist legal system and ensuring the building up of our country into a modernized and powerful socialist country.

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SPEAKING ABOUT TECHNICAL TRANSFORMATION IN THE IRON AND STEEL INDUSTRY

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[Article by Zhou Chuandian [0719 0278 0368]; passages in slantlines denote boldface as published]

[Text] In the government work report delivered at the fourth session of the Fifth NPC, Premier Zhao Ziyang pointed out: "We will have to rely chiefly on the technical transformation of existing enterprises and on their own initiative for expanding reproduction in the future." This completely tallies with the present situation of our iron and steel industry and has pointed out the orientation of the development of China's iron and steel industry. Through many years of construction, China's iron and steel industry already has a certain foundation and is capable of producing nearly 40 million tons of steel a year. But our present iron and steel enterprises are still technically backward and economically ineffective. Most of their major equipment dates back to the 1950's, their products have little variety and are poor in quality; their energy consumption is high and they suffer a shortage of raw materials and their economic results are unsatisfactory. In order to put an end to this backwardness and speed up the modernization of China's iron and steel industry, we must focus the key points of the development of the iron and steel industry on the technical renovation of these enterprises.

What Is Industrial Technical Transformation?

Our enterprises have done a lot of work for years in mobilizing the masses to carry out technical renovation and popularizing advanced technology and achieved considerable successes. Some comrades say that this is called technical transformation. In my opinion, these everyday small or medium-scale reforms constitute an important component part of technical transformation and also an indispensable condition for forming a major breakthrough in technology. They should not, in the slightest degree, be ignored. However, they are still not the main contents of the technical transformation which we mean now. As a major principle of a historical stage, technical transformation refers to concentrating strength on carrying out large-scale transformation. This is like a major operation in medical terms. After the operation, there should be an essential and fundamental change in the appearance of the technology and economy of industry.

There are precedents in history in carrying out fundamental technical transformation of the national economy. In the early 1930's, the Soviet Union was seriously backward technically. Stalin raised the slogan of carrying out technical transformation of the national economy. In their iron and steel industry, they absorbed large quantities of advanced technology from Britain and the United States of America and set up steelworks in the areas east of the Urals and transformed the existing steelworks in the Ukrainian areas. By the 1950's, the iron and steel smelting techniques of the Soviet Union had caught up with and surpassed the level of those of Britain and the United States and its rolling techniques approached the level of those of Britain and the United States. After World War II, the iron and steel technology of Japan was seriously backward. In order to lift themselves out of backwardness, they put forth the movement for rationalizing their iron and steel industry. This was in essence a technical transformation movement, that is, a movement which used the technology of the United States and the Soviet Union to transform Japan's iron and steel industry. At the end of the first rationalization movement, their blast furnace techniques had reached an advanced level and they based their blast-furnace-making techniques on domestic strength; at the end of the second rationalization movement, their conversion techniques had attained an advanced level and they based their converter-making techniques on domestic strength; and at the end of the third rationalization movement, their rolling techniques had come up to an advanced level and they based their rolling-mill-making techniques on domestic strength. Through these three rationalization stages, Japan's iron and steel technology and equipment have reached the most advanced standards in the world and Japan has turned from exporting single machines to exporting complete sets of machines. It took the Soviet Union 20 years and Japan 15 years to complete their respective technical transformations. They solved a problem in key units in a certain period and eventually attained and surpassed the advanced standards of other countries. This experience has aroused the close attention of various countries.

In the early days of the founding of the PRC, we were in a stage of poverty and blankness and our iron and steel industry was seriously underdeveloped technically. Then we studied and introduced foreign advanced technology, mainly from the Soviet Union and technologically reformed the Anshan and Taiyuan iron and steel companies and built up new ones in Baotou and Wuhan. But in 1958, these major technical transformations basically came to a halt. In looking back at the path we have traversed, we were flabbergasted to find a large gap between China's technological level and those of other countries. Our iron and steel industry has lagged behind at least 15 to 20 years. This backwardness of ours cannot fundamentally be eliminated solely by small operations or by everyday small-scale reforms. We should, as the Soviet Union and Japan have done, make full use of the next 15 to 20 years to perform some major operations to key equipment and key technologies of the iron and steel industry and carry out fundamental technical transformation while paying close attention to both the small-scale and medium-scale reforms. Only then, can we catch up with and surpass the world's advanced level and gradually realize the modernization of our iron and steel industry.

Some comrades equate the replenishing and filling up of the gaps in the fields of equipment and technology and the overhauling of equipment with technical transformation. I hold that with regard to this question, we must also make an analysis. In the course of replenishing and filling up the gaps in the fields of equipment and technology and overhauling equipment, any transformation which is aimed at replacing old and outdated technology with new ones and effecting a new major increase in the technical level can be regarded as technical transformation, otherwise, it should not be regarded as technical transformation. At least the following projects should be excluded from technical transformation projects: 1) the common projects which are used to form complete sets of equipment. The number of these projects is relatively big and most of them should not be included in the technical transformation projects; 2) the projects for extensive use which do not exceed the existing technical level. For example, many enterprises want to undertake rolling mills for wire rod, welded steel pipe and strip steel, technology for which mostly dated back to the 1940's and 1950's. In this way, they can only expand production capacity and therefore cannot be regarded as technical transformation; 3) the projects for civil use, such as buildings, warehouses and storing grounds; 4) the overhauling of equipment with no or fairly few contents of technical transformation. Since our funds are limited, using more funds in noninnovatory projects will mean using fewer funds in the technical transformation projects. Therefore, while drawing up a plan, we must have the projects of both technical transformation and nontechnical transformation and the investment in them must be classified and counted rather than indiscriminately terming them as technical transformation.

What does technical transformation actually consist of? In my opinion, technical transformation entails the replacement of old technology with new technology and mainly with the new key technology of a modern level, and the replacement of outdated technology and old equipment with new equipment. If we include any type of project into technical transformation, this will reduce the role of technical transformation. The technical transformation which we mean now is the principle which we adopt for developing production and catching up with and outstripping the world's advanced level under a situation in which we are seriously backward technically and our industry has a certain foundation. Compared with the industrially developed countries, where do we lag behind in terms of technology and equipment? How did the other countries reach their present level on the basis of their backward technology and equipment? What will we transform in the immediate future and what will we transform in the long term? How should we spend a relatively short time to reach an advanced level? These matters are actually the crux of the question of technical transformation.

Of course, the above-mentioned technical transformation can be divided, in terms of the scope which it involves, into technical transformation in a broad sense and that in a narrow sense. Technical transformation in a broad sense consists of the transformation of old factories and equipping new factories with new technology. The technical transformation which we are now speaking

about mainly refers to technical transformation in a narrow sense, that is, the technical transformation of the iron and steel enterprises basically excludes new construction and expansion.

How Do We Carry Out Technical Transformation?

In accordance with the existing practical experience and the current new situation, attention should be paid to solving the following problems:

/1. While carrying out technical transformation, we must uphold the principle of taking the improvement of economic results as the goal./

While carrying out technical transformation of existing enterprises, it is essential to make an issue of closely centering around the improvement of economic results rather than prattling about technology replacement and equipment renewal in disregard of this core. The iron and steel industry has its own characteristics. Most of the equipment used in ore dressing, sintering, coking, smelting and rolling is large and heavy. Therefore, only an extremely small amount of very outdated equipment should be replaced with new equipment. In other countries, some industrial departments replace their equipment within 3 to 5 years but in heavy industry, technology replacement and equipment renewal is not easily raised. In some countries, the units of the 1930's are still in active service. Putting additional new technology and key equipment into these units has enabled them to reach an advanced technical level. I have seen that some foreign countries have carried out technical renovation of the main old equipment of their rolling mills and blast furnaces of the 1950's and managed to attain a modern level. There are two ways to transform China's iron and steel enterprises: one is transformation for the sake of transformation, regardless of expenditure and profits; the other is to focus on attaining better economic results and obtaining better quality, more varieties, less energy consumption and a high level of efficiency, that is, obtaining the optimum economic results while carrying out technical transformation. We should aim for the second one and oppose the first one. At present, many enterprises have done and are doing so and they have achieved remarkable economic results by doing so. The Anshan pipe welding plant, for example, fully used their existing equipment to carry out technical transformation. They adopted a new technique of continuous welding to replace the existing backward technology, and as a result, their pipe output increased from the pretransformation 90,000 tons to more than 110,000 tons. The amount of products which are up to standard increased from 88 percent to 95.7 percent of the total, and the cost per ton dropped by 15.7 yuan. In 1 year the plant increased its profits by 7 million yuan. However, there are some enterprises which are still focusing on applying to undertake new construction projects, thus taking yet again the previous path which required large amounts of investment and produced few benefits.

/2. While carrying out technical transformation, we must base ourselves on self-reliance and take our own way./

While carrying out technical transformation, our enterprises must base themselves on self-reliance, on reliance on domestic technical personnel, economic experts and the vast masses of workers and on gradually extending the use of Chinese-made advanced machinery and electrical products. This is the foundation of victory for carrying out technical transformation. The new No 2 blast furnace at the Shoudu Iron and Steel Company has adopted many new domestic and foreign techniques in production such as bells in the top of the furnace to indicate when it is out of fuel, dome-combustion hot-blast stoves, conveyor charging, automatic control, dust removers and sound mufflers, and coal dust injection. It has thus become China's first modern furnace and its equipment is up to the advanced world standards, with a utilization coefficient above 2.0, a coke ratio under 418 kilograms and marked economic results. Last year, converters were revamped at the Wuhan Iron and Steel Company according to our own designs, partly with domestic equipment and partly with calculating control instruments imported from abroad. This technical transformation has helped the technically backward converters become advanced ones and boost the production of steel billets qualified for the 1,700 cm rolling mill. These examples show that the Chinese people can rely mainly on their own efforts to transform their enterprises. Of course, we must not reject advanced and suitable foreign technology and must import some necessary new technology according to our own capability. But in importing advanced technology and equipment, we must suit ourselves to our ability to repay, to provide necessary accessories and to digest advanced technology, and uphold the principle of "making foreign things serve China."

/3. While carrying out technical transformation, we must work out a general plan, grasp the key points, undertake the projects according to the principle of priority and offer classified guidance./

While carrying out technical transformation, we must take the whole country into account and trades and enterprises must not all rush headlong into mass action in an unplanned way, with each going its own way. We must make a general plan through overall balance, grasp the key points and undertake projects according to the principle of priority. We must act in the same way with the case of an enterprise or a unit. How should we grasp the key points? 1) give consideration, closely centering around the needs of the overall situation of the national economy, to solving the key issues, such as raising quality, increasing varieties, economizing on energy, strengthening the work of mining, protecting and improving the environment and attaining better economic results. 2) consideration should be given to firmly grasping the backward links of the production process of the iron and steel industry and primary consideration should be given to transforming the steelmaking and steel rolling techniques. This is because the technical level of China's iron-smelting system is not bad; that of the steelmaking system is poorer and that of the steel rolling system is the poorest. Compared with other countries,

our gap in iron smelting technology and energy consumption is relatively narrow but in steelmaking and steel rolling technology and energy consumption, we have a long way to go. Backward steelmaking and steel rolling technology, skills and equipment have a direct bearing on the variety and quality of rolled steel and on the ultimate economic results of the whole trade. So giving priority to the transformation of steelmaking and steel rolling will be useful to the whole situation. Of course, since conditions differ from unit to unit, no uniformity should be imposed on all units. If conditions permit, it is also advisable to carry out appropriate technical transformation of the mines and iron smelting. 3) Consideration should be given to starting with key enterprises. We must first grasp the enterprises of crucial importance which badly need renovation and can also produce marked economic results rather than undertaking all enterprises all at once. 4) Exercise classified guidance. It is necessary to grasp and popularize the typical experiences in carrying out technical transformation according to the classification of enterprises and units. 5) Consideration should be given to the characteristics of different regions. For example, now that there is a strained energy supply in the northeastern regions of the country, the iron and steel enterprises which are located there should give priority to the measures for economizing on the use of energy; since there is basically no restriction in energy supply in the northwestern regions of our country, the Jiuquan Steelworks has been considering undertaking steel smelting and continuous casting. In this way, it will be able to streamline the process of turning iron into steel which was formerly done twice and to meet the needs for steel billets in batches for small and medium-sized rolling mills in the region. Technical transformation, the focal points of which were considered from many aspects, in such a way will be more practical and realistic and will become easier to implement and fulfill. However, we must guard against overemphasizing the focal points at the expense of forming complete sets of equipment. We must pay attention to doing a good job in carrying out an overall balance of all quarters and sides concerned closely centering around the focal points, so that an overall production capacity can be formed and the transformed enterprises and equipment can really give play to their role.

/4. While carrying out technical transformation, we must have a correct technical and economic policy./

Technical transformation is an important issue of policy. Negligence of technical and economic policies will bring about serious losses and waste. All technical and economic policies must be practical and feasible. While choosing new technology, we must adopt a policy of combining being advanced, being practical and being economical. It will not do to one-sidedly concentrate on being advanced, while spending too much money but promising slow recovery. It will also not do to pay sole attention to being economical at the expense of progressive technology. The unification of "being advanced," "being practical" and "being economical" can achieve the maximum economic results.

We have initially summed up the experience in carrying out technical transformation of some iron and steel enterprises. Most of those enterprises which have achieved fairly satisfactory economic results have adopted suitable techniques. These techniques mainly involve three methods: the first method is the adoption of our own scientific research achievements and innovations; the second is the popularization of major technical transformation findings which have been proved to be practical and effective in production; the third is the digestion and transplanting of imported technology. The various enterprises must choose the new technology which is suitable for their own specific conditions. It must be emphatically pointed out that we have spent our money to buy the imported technology, which already belongs to us. Digesting and transplanting these technologies is of great significance to us for putting an end to the state in which our iron and steel industry is backward technically. This work itself is a scientific research. Our opinion is that those who have made improvements on the basis of imported technology must be rewarded for creativity and those who have succeeded in transplanting must be rewarded for scientific research.

/5. With regard to technical transformation projects, we must make a comparison of multifarious plans and carry out technical and economic deliberations./

In the past we paid a high price in this respect. Some construction projects were undertaken in haste without making any technical or economic deliberations beforehand. When they were later found to be unfeasible technically and unprofitable economically, they were hurriedly discontinued. These drastic undertakings and cancellations have wasted large amounts of money for nothing. While summing up these positive and negative experiences, we must formulate a provision of regulations. In undertaking any technical transformation project, we must act according to work procedure and take technical and economic deliberations as an important procedure which is insurmountable. At the same time, we must make a comparison of a multitude of plans rather than having only one plan. We must correctly carry out the principle of letting a hundred schools of thought contend and make a decision on the basis of qualitative determination and quantitative determination. We must strive to attain the possible proper level in making deliberations and work out the optimum plan.

/6. While carrying out technical transformation, we must have a sense of timing and substantially shorten construction cycles./

Saving time means improving the economic results and delaying project time limits means the greatest waste. In carrying out technical transformation and paying close attention to economic results, we must foster a sense of time and strive to ensure short construction cycles, an early commission and quick results on the basis of guaranteed quality. At present, the reasons for the rather long construction cycles of technical transformation projects are many: some are the result of the plan not being approved owing to lack of a serious feasibility study; some are the result of the blueprints not being issued owing

to too long being spent at the design stage; some are the result of the failure to form complete sets of equipment owing to the long cycles for manufacturing equipment and lack of one or two key parts of equipment; and still others are the result of the on-and-off construction owing to the long time limits of the project and to leaks in funds and materials. From now on, we must take the shortening of the construction cycles of the technical transformation projects as the crucial link in improving the economic results of technical transformation, do a good job in the preparatory work for the early construction of the projects to be transformed and be good at concentrating strength, at fighting a quick battle to force a quick decision and at ensuring victory in every battle. We must complete and put into commission the projects to be transformed one by one and ensure that each will produce satisfactory results.

/7. While carrying out technical transformation, we must rely on the funds raised by enterprises and appropriately utilize foreign capital./

During the readjustment period, financial difficulties and lack of funds are big and difficult problems in our present task of economic construction. Under these circumstances, it is impossible for the state to provide large amounts of funds for the enterprises to carry out technical transformation. However, along with the expansion of the decisionmaking power of enterprises and the introduction of the economic responsibility system, the enterprises' officially listed funds, including the depreciation funds and production development funds which come from part of the retained profits, will gradually increase. This portion of funds amounts to quite a lot and is relatively stable. So long as these funds are arranged in an overall manner and put to rational use, they will become the main source of funds for the enterprises to carry out technical transformation. If there are actually urgent needs, we can apply for bank loans so as to make up what we lack. Besides, it is entirely necessary to utilize as much foreign capital as possible so as to accelerate the technical transformation of iron and steel enterprises. This cannot only solve the problem of lack of domestic funds but also absorb foreign advanced technology and is thus quite conducive to the technical transformation of China's iron and steel industry.

/8. Technical transformation must be combined with tackling key problems in technology, and advance in step with the improvement of the technical skills of workers and the managerial techniques of enterprises./

Using new technology to carry out technical transformation is frequently not plain sailing. Only when we combine technical transformation with the tackling of key problems in technology and ensure the coordinated advance of technical renovation and the improvement of the technical skills of workers and the managerial techniques of enterprises, can we effect a rapid change in the appearance of technology, economy and management. Otherwise, even if technology, skills and equipment reach the required standards, the failure of the production operations and business management to keep pace with them will be a drag on technical transformation. Is it not more of a waste to spend money without any results? Moreover, some of our enterprises hold that after they have listed some projects and put them into construction or they have

been completed and put into commission, everything will go off without a hitch. As a result, the technology is not up to standard, the operations fall short of demand, the management is unsuitable and the effect is unsatisfactory. A host of facts show that after we have used new technology to carry out technical transformation, we must pay close attention to the tackling of key problems in technology, the training of staff and workers and the modernization of management. If factories are unable to do these things, it is necessary to organize the technical specialists and managerial specialists in every field throughout the country to tackle key problems and be sure to turn new technology into new productive force as quickly as possible and produce satisfactory economic results.

Carrying out technical transformation is aimed at adopting new technology to renovate old enterprises. Therefore, the leadership at various levels must attach importance to the work of science and technology and organize the scientific research institutes, universities and colleges and the technical forces of the production design and manufacturing units and the economic departments, to share out the work and cooperate with one another, launch a great battle and bring their enthusiasm into full play. Otherwise, we cannot possibly succeed in technical transformation.

/9. While carrying out technical transformation, we must pay particular attention to manufacturing and forming complete sets of monitoring and surveying metrological instruments./

In terms of the technology and equipment of the iron and steel industry, compared with those of other countries, the gap of most of China's bulk equipment is not wide. So they do not need replacing. The greatest gap lies in: 1) monitoring and surveying metrological instruments; 2) automatic control techniques; and 3) new technology and skills. 1) is the prerequisite for 2) and 3). Therefore, priority should be given to solving the problem of manufacturing and forming complete sets of monitoring and surveying metrological instruments, and to advancing the production of enterprises which are mainly operated by experience so that they are controlled by scientific instruments. In this way, we will be able to spend less money to rapidly raise the technical level and improve the technical and economic targets of the iron and steel enterprises.

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SEVERAL QUESTIONS OF UNDERSTANDING CONCERNING THE IMPLEMENTATION OF COMMERCIAL
MANAGEMENT RESPONSIBILITY SYSTEM

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[Article by Wan Dianwu [5502 0368 2976]]

[Text] Since last year, the commercial departments of the various localities throughout the country have enthusiastically implemented various forms of management responsibility system on a trial basis. In the course of the trial implementation, some successes have been achieved and some experiences have been explored and gained, and some new problems have also cropped up. Here I am going to emphatically discuss my tentative ideas on several questions of understanding.

How Should We Understand the Significance of This Reform?

Some comrades regard this reform as an expedient measure for turning deficits into profits and implementing the tasks of taking responsibility for one's own finances. This is a misunderstanding. Judged from the experimental work which is being carried out now throughout the country, this reform is, in fact, of fairly great significance. It is a major reform in China's commodity circulation field, an important exploration for perfecting the commercial management system and a major readjustment of such aspects of commercial labor, wages and the distribution of profits.

First, over the 30-odd years since state-run commerce was established in the early days of the PRC, it has all along practiced a fixed wage system and since 1958, collectively run commerce has also practiced a fixed wage system. Under this system, the staff and workers received, as a rule, their portion of wages every month regardless of whether they did more or less work or whether they did a good job or a poor job and thus the problem emerged of everybody eating "from the same big pot." This reform is aimed at integrating the economic results of the shops and the fruits of labor of the staff and workers with their remuneration. Thus we will be able to better implement the principle of from each according to his ability, to each according to his work and to bring into play the enthusiasm of the vast numbers of staff and workers for doing the commercial work well. With regard to state-run commerce, this is the most important attempt since the founding of the PRC; and as for collectively run commerce, this is also the newest work method for 20-odd years.

Second, the extensive implementation of the management responsibility system will gradually result in difference in profit-sharing, public accumulation, public welfare funds and collective welfare of the various commercial enterprises. The enterprises which are run well and have made greater contributions to the state are entitled to develop their own enterprises and run some collective welfare undertakings with the additional share of profit they earn. This will play a positive and encouraging role for the advanced enterprises and urge the ordinary enterprises to strive to make progress.

Third, the contents of the reforms of commercial management system will further be enriched and developed. The trial implementation of the management responsibility system has closely combined responsibility, authority and benefits together. Enterprises must do their work well and fulfill their tasks of handing over the assigned profits and taxes to the state, only then can they get a greater share of profit; and the staff and workers who have performed their duties well can get more income. Otherwise, besides not being entitled to bonuses, their basis wages may even possibly float downward. It is the continuation and development of such reforms as the expansion of the decision-making power of enterprises and profit-sharing that will enable state-run commerce to have sustained vitality and to better give play to its leading role under the new situation in which diversified economic sectors and multifarious circulation channels coexist.

Fourth, on the one hand, the enterprises which are involved in the experiment of introducing the management responsibility system have brought about a series of changes in the institutions of wage, labor and finance. On the other hand, some experimental units have raised questions, such as changing the irrational cadre system, streamlining the overstuffed unwieldy enterprise management organizations, earnestly carrying out the staff and workers congress system and forming production teams and groups in a basis of voluntary integration. Some pilot units have adopted some practical measures in this respect and carried out some attempts.

In short, the management responsibility system integrates the business tasks and economic results of enterprises with the interests of the staff and workers and practices the method of "two link ups," that is, the combination of responsibility, authority and benefits of enterprises and the combination of responsibility, authority and remuneration of the staff and workers. Therefore, it is conducive to overcoming the egalitarianism between different enterprises and between different staff and workers and is thus able to mobilize the enthusiasm of the enterprises and the staff and workers. The introduction of the management responsibility system is a breakthrough of the reorganization of enterprises and will push the overall reorganization of enterprises ranging from the leading bodies to the various rules and regulations, forward and consolidate and develop the achievements of these reorganizations and innovations.

Is the Orientation of This Reform Correct?

The moment they come into contact with the question of the management responsibility system, quite a few comrades will ask: Is the orientation of this reform correct? Does it uphold the socialist road? Our answer is in the affirmative. The "resolution on certain questions in the history of our party since the founding of the PRC" adopted by the 6th Plenary Session of the 11th CCP Central Committee pointed out: "There is no rigid pattern for the development of the socialist relations of production. At every stage our task is to create those specific forms of the relations of production that correspond to the needs of growing productive forces and facilitate their continued advance." In the light of the questions which are now being discussed, we have gained the following few points of understanding: first, practicing the management responsibility system in state-run commerce is suited to the actual conditions of the material and technical conditions, the managerial techniques and the level of consciousness of the staff and workers of China's state-run commerce at the present stage. Therefore, it has achieved remarkable results in giving play to the enthusiasm of the vast numbers of staff and workers and grassroots enterprises. Owing to deviating from the actual conditions, the previous method frequently brought about such results as stopping the broad masses of staff and workers from bringing their enthusiasm into full play, and causing losses, waste and mismanagement in the enterprises. Second, in the past, we mistook egalitarianism for socialism. This ran counter to the principle of from each according to his ability, to each according to his work. The currently practiced method which links up the enterprises' operations and economic results with their accumulation and the income of the staff and workers will overcome the egalitarianism between different staff and workers and between different enterprises and more closely tallies with the socialist principles of our country at the present stage. Third, this trial implementation of the commercial management responsibility system is the result of the movement to emancipate our minds and seek truth from facts since the 3d Plenary Session of the 11th CCP Central Committee. If we rigidly adhere to some methods which have undoubtedly dampened the enthusiasm of the grassroots enterprises and the staff and workers and still regard ourselves as upholding the socialist road, this is not a scientific attitude. So long as they personally investigate several enterprises which are carrying out the management responsibility system on a trial basis, our comrades will come to understand that the management responsibility system is an effective form of management in reorganizing, upgrading and developing our state-run commerce at the present stage and a concrete way for our state-run commerce to uphold the socialist road.

Why Should We Adopt Multifarious and Flexible Methods?

A large number of forms of the management responsibility system are being carried out on a trial basis by the various localities. It is justifiable to say that they are carried out in line with specific cases with each having its own characteristics. Feeling that everything seems to be in a muddle, some comrades think that there should be a unified method for this

work. In reality, since the management responsibility system is a major reform, we have to proceed from the actual conditions, work out various specific methods and advance while exploring. This trial implementation of the management responsibility system particularly involves the actual interests of the grassroots enterprises and every staff member or worker. Things cannot be done well without fully developing democracy. Quite a few experimental units have, in fact, created some easy and practical methods in their own ways and the staff and workers have themselves drawn up some regulations with specific aims in mind, carried forward the spirit of being the masters of the country, and enhanced the atmosphere of democracy and unity as well as criticism and self-criticism, thus bringing vitality and vigor to the enterprises.

While drawing up the methods for the experiment, it is imperative to give full consideration to the different characteristics of the implementation of the commercial management responsibility system from the implementation of the industrial or agricultural responsibility system. The relations of commercial enterprises are fairly complicated and the issue of policy is relatively important. On the one side, commercial enterprises are related to production and on the other, related to consumption, and they should be responsible to the state on the one side and responsible to the masses on the other. Working at their posts--the final link of the economic activities, the staff and workers of commercial enterprises come into contact with tens of thousands of customers and handle huge numbers of relations between man and man everyday. In such a unique position, they can perform stirring deeds in the service of the people but with this unique position of theirs, there may also emerge some unhealthy practices. The quality of the fulfillment of the commercial enterprises' targets, such as sale and profits, is more often than not affected by the variations of many objective factors, such as the supply of goods, prices, localities, areas of operation and the tastes of consumers. In industry and agriculture, we can fix relatively scientific and stable quotas for such targets as output, quality, cost and labor efficiency but in commerce we cannot do so. So, we cannot use these targets as the only yardstick for measuring the quality of the operations of enterprises and measuring the quantity and quality of labor of the staff and workers. Therefore, while implementing the commercial management responsibility system, we must proceed from the actual conditions and characteristics of commerce and adopt different methods in light of different trades and different enterprises. Commerce is a general term, including many specific trades with their own peculiarities. Judged from the implementation of the management responsibility system, since the catering trade is engaged both in production and marketing, in fixing quotas through the adoption of appropriate measures, it is relatively easy to embody the integration of the interests of the state, the collective and the individual. There is a wide difference in the business contents and types of job in the service trades, such as barbers, hotels, public baths, photo studios, cleaners, dyers and repair services. They must adopt methods which are suited to their respective peculiarities. With regard to the pure commerce

of buying and selling commodities, first a strict distinction should be made between retail sales and wholesale. In the retail trade, there is also a difference between the retailing of grain and nonstaple foods and that of industrial products. The operations of the former mainly cover the necessities for daily life and are closely related to the daily life of tens of thousands of households and families. Retail transactions are made in a fragmentary and frequent way, with the quality and quantity of most products not being so up to qualification and standard. Therefore, any slight deviation in the methods of the management responsibility system which are practiced in the enterprises retailing grain and nonstaple foods will easily infringe upon the interests of the consumers in matters such as weight, grade and quality. While practicing the management responsibility system, the enterprises retailing industrial products, such as general merchandise, hardware, transport means, home electric appliances and the means of production must formulate such systems as preparing the necessary commodity catalogues rather than concentrating on the amount of sales and profits. Otherwise, the trends, such as "laying one-sided emphasis on the big at the expense of the small" and "concentrating on the products which sell well" will easily emerge. Wholesale commerce is the center of commodity circulation. It undertakes any tasks of supporting production and arranging seasonal reserves and also undertakes the important responsibility of regulating and balancing production and marketing. So it is suitable for the wholesale trade to adopt management with fixed output quotas and job responsibility system as well as the method of fixing a fixed amount of bonuses.

In sum, while carrying out the management responsibility system, it is imperative to make a distinction between the actual conditions, such as different trades, different commodities, different scopes of shops and different sectors and strive to do a good job in the various kinds of preparatory work, such as estimating and calculating quotas or bases in accordance with the principle that "everything should go through an experiment" and actively explore some practical and feasible concrete methods. We must never seek a single solution to diverse problems and rush headlong into mass action in an unplanned way.

Why Should We Lay Special Stress on the Safeguarding of the Interests of the State and the Consumers?

The correct implementation of the management responsibility system can benefit the state, the collective and the individual. However, there is also a contradictory aspect in the interests of the three--the state, the collective and the individual. The cadres and staff and workers of a grassroots enterprise will invariably feel more the interests of their enterprise and their own interests are more immediate and be more practical about them but very often feel the overall interests and the interests of the consumers are less immediate. Therefore, in the course of implementing the management responsibility system on a trial basis, some cadres and staff and workers frequently lay particular stress on the interests of their enterprise and

their own interests and a trend has thus emerged of "focusing on the interests of only one" of the three parties concerned--the state, the collective or the individual. Furthermore, commercial enterprises have vast numbers of purchasing and marketing centers and networks and handle tens of thousands of commodities. Some commodities, such as meals and nonstaple foods, lack strict standards in quantity and quality terms. If the grassroots enterprises focus on their interests alone, they are bound to play tricks in such fields as the accounts, expenses, taxes and profits and will seize state revenue, and to infringe on the interests of the consumers by resorting to such methods as giving short measures, passing defective goods off as quality goods, raising prices in a disguised form and lowering service quality. The enterprises handling industrial products may seek improper income by violating the socialist business principles in such aspects as reducing the operational scope of small commodities, indiscriminately organizing trans-trade business activities and concentrating on "the products which sell well." The market is a mirror which reflects the situation of the national economy and also an important link for the state to implement economic ties with the entire people. Every step of the commercial enterprises involves the interests of the broad masses. If things are done well, the people will concretely realize the superiority of socialism from it but if things do not go well, the reputation of state-run commerce will be damaged and the socialist system will even be smeared. Consequently, while implementing the management responsibility system, it is necessary to lay particular stress on safeguarding the interests of the state and the consumers.

It must be acknowledged that profit-sharing and bonuses are only part of the contents of the management responsibility system. The two must not be equated. Concentrating solely on getting more profit-sharing on bonuses at the expense of the various solemn responsibilities of the socialist commercial enterprises will run counter to the aim of carrying out the management responsibility system. Therefore, while implementing the management responsibility system, we must follow the following principles:

1. The enterprises must achieve greater results in their operations on a premise of upholding the socialist business orientation, strictly observing the state's policies and decrees and subordinating themselves to the state plan. All amounts gained in sales and profits by violating the state's policies and breaking down the state plan must not only be rejected but economic sanctions must be imposed on the violators whose profitsharing or bonuses must be detained. Serious violations must be dealt with according to party discipline and state laws.
2. With regard to the distribution of business income of enterprises, care should be given to the interests of the enterprises and the staff and workers with a prerequisite of making greater contribution to the state. In regard to the distribution of wages and bonuses, we must give full consideration to the growth rate of the production of the whole country and the improvement of labor efficiency rather than fixing the wages and bonuses solely according to the increase in the income of an enterprise. Owing to the improper

proportions of bases and distribution, the bonuses for the staff and workers may be, for a time excessively high. Thus, we must do persuasion work among the staff and workers so that they can leave more of their bonuses for the enterprises which in turn will redistribute them both in off seasons and in the peak periods by taking into account both the past experience and the situation that may possibly arise in the future and giving due consideration to all quarters and sides concerned. We must oppose the practice of focusing on the interests of only one of the three parties concerned--the state, the collective and the individual--in disregard of the overall interests and oppose the practice of concentrating on the intermediate interests to the neglect of the long-term ones. Regarding the distribution among the staff and workers, it is imperative to reflect the principle of distribution according to work, oppose egalitarianism and individualism which gives thought only to oneself and not to others.

3. Strive to integrate responsibility, authority and benefit in real earnest. Power is wielded to better discharge one's responsibilities, so we must not blindly ask for the expansion of power. If there are increases in the profit-sharing of the enterprises and the bonuses of the staff and workers despite there being no improvement made in the operational and management level and service quality, this income will be one obtained in an improper manner and in which "benefit" is not suited to "responsibility" and "remuneration" is not commensurate with "labor."

4. In accordance with the set regulations, the enterprises must continuously improve their service quality and resolutely safeguard the interests of the consumers. It is necessary to make public the regulations for employees (attendants) and the main standards for service quality and practice supervision both inside and outside. The managers must manage to handle their business according to the regulations and the staff and workers must act according to the regulations. The masses are asked to supervise according to the regulations and the implementation of the responsibility system must also be checked according to the regulations. The shortcomings and errors in work should be examined and corrected. The practices of purposely adulterating and passing off false goods, giving short measure, passing defective goods off as quality goods and bullying the customers and so on, which infringe on the interests of the masses, must be dealt with seriously. Party discipline and state laws should be enforced for those who commit gross violations.

Why Should We Uphold the Principle of Combining Politics With the Economy?

Commercial enterprises are small in scope and simple in category but vastly distributed, and are not centralized in management. The staff and workers are mainly engaged in manual labor. Furthermore, it is difficult to draw up strict standards for some matters. It is obviously far from sufficient for ensuring the interests of the state and the consumers to exclusively rely on

economic methods and administrative means. We must soberly realize that the more we stress the principle of more pay for more work and material encouragement, the more vigorously we should conduct ideological and political work among the commercial departments, and particularly conduct an extensive and thorough-going education in the overall point of view and the mass viewpoint and correctly handle the relationships of the state, the collective and the individual. We must carry out education in the economic situation with concrete data and real examples, enhance the overall point of view of the staff and workers, uphold the principle of taking the whole country into account, encourage the communist attitude to labor and make greater contributions to the country. We must build not only material civilization but also spiritual civilization and must take care of not only the material benefits of the staff and workers but also the healthy growth of the staff and workers politically and spiritually. On the one hand, we must uphold the principle of material benefits of the staff and workers but also the healthy growth of the staff and workers politically and spiritually. On the one hand, we must uphold the principle of material benefits so that the enterprises and the staff and workers will have an internal material motive force and on the other, effectively strengthen ideological and political work so that they will have a powerful internal political motive force. We must pay simultaneous and close attention to the building of the two civilizations and concurrently start the two motive forces so as to ensure the close integration of politics and the economy. Otherwise, arousing the enthusiasm of the grassroots enterprises and the staff and workers by exclusively relying on economic benefits and thus slackening ideological and political work, will lead us astray. This will be harmful to the healthy development of the commercial management responsibility system.

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OBJECTIVE GROUNDS FOR TAKING PLANNED ECONOMY AS A DOMINANT FACTOR AND REGULATION
BY MARKET MECHANISM AS A SUPPLEMENT

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[Article by Li Zhengzhong [2621 7201 0022] and Hu Naiwu [5170 0035 2976]]

[Text] China is a socialist country, thus we must persist in the principle of taking the planned economy as the dominant factor and regulation by market mechanism as a supplement. "The draft of the revised constitution of the People's Republic of China" specifies: "The state practices the planned economy on the basis of socialist public ownership. By keeping the overall balance through the planned economy and making use of the supplementary role of regulation by market mechanism, the state guarantees the coordinated proportionate development of the national economy." Here, we would like to say a few words about our understanding on the objective grounds for this principle.

Practicing the planned economy in a socialist society is an objective requirement in the development of socialized mass production and in inevitable outcome of the replacement of capitalist private ownership by socialist public ownership. Socialized mass production was formed in the early 19th century after capitalism had entered the stage of large-scale mechanized industry. This is production based on specialized division of labor and coordination. When production is socialized, branches become interdependent on and closely interrelated to each other. No branch can independently develop without the cooperation of other branches. Any product is a fruit of the cooperation of a multitude of enterprises and trades by sharing out the work. This requires that each branch must coordinate itself with others, and that the national economy should be developed in a planned and proportionate way. Lenin said: "Large-scale mechanized industry, unlike the preceding stages, imperatively calls for the planned regulation of production and public control over it." ("The Collected Works of Lenin," Vol 3, p 497) However, there is a profound contradiction between capitalist private ownership and the socialization of production. This determines that the capitalist economy as a whole cannot but be bogged down in anarchy. It is impossible to practice a unified planned economy in the entire society under the capitalist system. Lenin pointed out: "The [word indistinct] of production cannot but lead to the means of production

being owned by the society and the expropriation of the exploiters." ("Selected Works of Lenin" Vol 2, p 599) The establishment of public ownership of the means of production is precisely aimed at meeting the requirements raised by the planned and proportionate development of socialized mass production. The socialist economy is inevitably a planned economy. These two concepts can never be separated. To persist in socialism, one must persist in the planned economy.

In the socialist society envisaged by Marx and Engels, all the means of production are owned by the entire society while commodity production has vanished. Thus the society can distribute labor in a planned way among various branches according to the needs of society and the people. The actual socialism in China varies from what Marx and Engels envisaged. The differences are: the scale of public ownership has not reached the point that all the means of production are owned by the entire society. Instead, two types of public ownership--ownership by the whole people and collective ownership--simultaneously exist coupled with a small quantity of individual economy. On the other hand, commodity production and exchange still exist. Because the state-owned economy controls the lifelines of the national economy and holds the leading position, it is not only imperative but also possible for us to practice a planned economy. However, since there are still diverse economic forms and commodity and money relationships, regulation by market mechanisms inevitably exist. Under these circumstances, how to practice the planned economy and how to correctly handle the relationship between planned economy and regulation by market mechanism has become a question of great importance. In accordance with the basic principles of Marxism and China's specific experience, Comrade Chen Yun has given a correct answer to this question. That is, a socialist society should take the planned economy as a dominant factor and regulation by market mechanism as a supplement.

The reason why a socialist society must take planned economy as a dominant factor and regulation by market mechanism as a supplement lies in the fact that, under the socialist system, there are not only the basic socialist economic law and the law of planned development of the national economy, but also the law of value.

In the past, we thought that, as long as socialist production is regulated by merely relying on the basic socialist economic laws and the law of planned development of the national economy, the planned economy can be carried out smoothly. Thus, the regulatory role of the law of value used to be neglected or even rejected. Practice has shown that this idea is not correct. Neglecting or rejecting the regulatory role of the law of value can only result in harming the growth of the socialist economy. Then, can we say that regulation by the law of value should be taken as a dominant factor under the condition where commodity and money relationships still exist? In our opinion, that is also a wrong idea. These ideas are wrong because neither idea can correctly reflect the relationships between the three laws.

The purpose of socialist production is to satisfy the increasing needs in people's material and cultural lives. Obviously, in order to achieve this objective, we must, first of all, follow the basic socialist economic law and the law of planned development of the national economy when working out the national economic plans. At the same time, we should also follow the law of value.

Basic socialist economic law and the law of planned development of the national economy function on the basis of public ownership. They require that production and circulation should be regulated in accordance with the needs of the entire society. Basic socialist economic law determines all the main aspects and main processes in socialist production and determines the nature and orientation of socialist production. This nature and orientation is for nothing but to satisfy the needs of the society and of the people. The law of planned development of the national economy is determined by basic socialist economic law. It requires that the distribution of gross social labor in various branches should be concretely regulated in line with the social demands and through unified plans. That is to say, within the sphere allowed by the existing productive forces, what and how much the society needs can determine what and how much should be produced. Therefore, by taking basic socialist economic law and the law of planned development of the national economy as the grounds, and taking planned economy as a dominant factor, our economic work can basically coordinate the overall interests and the partial interests and coordinate the long-term interests and the immediate interests in a proper way, so as to guarantee the coordinated, steady and rapid development of the national economy. This can never be achieved if we merely rely on regulation by the law of value.

The law of value shows that the value of a commodity is determined by its social necessary labor time. Price is an expression of value while value is the basis of price. The regulatory role of the law of value is realized through the motion of the contradictions between individual labor time and social necessary labor time and between value and price. Without question, the law of value, in a certain sense, is contradictory to basic socialist economic law and the law of planned development of the national economy. This can be seen from these facts: considering their own economic interests, commodity producers are prone to produce the commodities which are highly priced and more profitable and are reluctant to produce the commodities which just bring in small profits or even losses due to their low prices. Since the regulatory role of the law of value is based on prices, profits, and the partial and immediate interests of the enterprises, this is apt to bring blindness in a certain degree to socialist production. For example, in our present economic life, people can see the phenomena of duplicated production and construction, and the phenomena that the production of products in short supply cannot be increased while the production of products in excess supply cannot be held down. All this has resulted in losses and waste. Though these phenomena can be ascribed to many reasons, one of the important reasons is spontaneous regulation by the law of value. When the law of value is consciously used for regulating socialist production and circulation, things could be different, but the blindness in production cannot be completely

avoided. This is because when the law of value plays a regulatory role through the fluctuation of prices and profits, it can only show the orientation of the social demands to the production units, but cannot precisely show the quantity of a certain product needed by the society, still less can it work out the assignments of production for each production unit. Therefore, the planned and proportionate development of the national economy cannot be guaranteed by merely relying on regulation by the law of value, especially not by merely relying on spontaneous regulation by the law of value.

On the other hand, the law of value is in accord with basic socialist economic law and the law of planned development of the national economy in some aspects. The basic socialist economic law requires that the social demands should be satisfied to a maximum. At a certain development level of the social productive forces and within a fixed number of gross social working hours, the social demands can be better satisfied only when various commodities are produced by consuming a minimum labor. The economy of labor consumption in commodity production is also a requirement of the law of value. As it is known the value of a commodity is determined by social necessary labor used for it rather than by individual labor. When individual labor is smaller than social necessary labor, more profits can be reaped. Conversely, if individual labor exceeds social necessary labor, a portion of labor consumed in commodity production cannot be compensated, and thus loss will be incurred. This will thus press commodity producers to economize on labor consumption, lower production costs and upgrade product quality by every means, so that the social demands can be better satisfied.

Thus, the regulatory role of the law of value not only conforms with the regulatory role of the basic socialist economic law and the law of planned development of the national economy, but cannot be replaced by the latter. Because of a great multitude of product varieties, the great differences in people's needs, the multi-level ownership systems and the fact that production units are widely scattered, it is impossible for the state to work out plans for everything. Only those economic targets concerning the overall interests in the national economy (such as the growth rate of the economy, major ratios, the scale of capital construction and the people's living standard) together with the production targets of key products which have a bearing on the national economy and people's livelihood can be included in the unified state plans. It is neither possible nor necessary to include all of the less important products, which are of numerous varieties and produced in a dispersed way by state-owned enterprises, collective-owned enterprises and individual laborers, in the state plans. The production and marketing of these products should be handled by the enterprises themselves in line with the market conditions, so that this can function as a supplement to planned production and planned supply. So long as we persist in taking planned economy as the dominant factor and giving play to the regulatory, supplementary role of regulation by market mechanism, we can certainly mobilize all positive factors to promote the coordinated development of the socialist economy.

When implementing the principle of taking the planned economy as the dominant factor and regulation by market mechanism as a supplement, on one hand, we should overcome selfish departmentalism, decentralism, and the tendency of liberalization, strengthen the overall balance within the whole country; and on the other hand, it is necessary to give play to the initiative of localities and enterprises and grant them certain decisionmaking power and they should not be rigidly controlled. In other words, we should practice a strategy of combining big plans and small free actions; centralizing major power and decentralizing minor power. Neither aspect should be overemphasized at the expense of the other. Comrade Chen Yun pointed out: "China is a socialist country, our construction is planned construction, and thus the production and construction in every locality and in every enterprise throughout the country must comply with the state's unified plans. No violation of these plans is allowed. It is absolutely necessary, however, within the scope of the unified state plans, to give local governments and enterprises certain power to make decisions according to local conditions." The national economy is a complicated organic whole. If localities and enterprises do not comply with the unified state plans, do not abide by the principle that the whole country should be subject to a unified plan, do not observe and treat problems from the overall and long-term interests of the country but from their own partial and immediate interests, doing things according to their own wills, then it will be very difficult to realize the planned and proportionate development of the national economy. In this situation, localities and enterprises cannot handle normal production and business, because they cannot be provided with good supply, production and marketing conditions. As a result, both the overall results of the national economy and the economic results of individual localities and enterprises will be greatly impaired. Not only will the state incur losses, but localities, enterprises and individual laborers will all be harmed.

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GAINS OF THE NANJING PLA UNITS' CADRES FROM STUDYING ECONOMIC THEORIES

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[Article by Nanjing PLA Units' Theoretical Training Class]

[Text] Is it necessary for PLA cadres to study economic theories? The experiences of the Nanjing PLA units show that it is not only necessary but is also of great help.

Over the past year or so, in order to help the cadres get a clearer understanding of the correctness of our party's present economic policies, our theoretical training class has successively run several classes for cadres at the army and division levels and propaganda cadres to study economic theories. Tangible results have been achieved through studying Marxist economic theories and Comrade Chen Yun's economic works in these classes and relating various economic policies and principles of our party, which were formulated after the 3d Plenary Session of the 11th CCP Central Committee, in the understanding of the PLA units.

Some comrades asked before the study classes began: Why have our production level and the people's standard of living not been raised to the degree they should have been raised to after so many years of socialist construction? Why is it still necessary to spend a long time to readjust the national economy? Why is it necessary to reform the economic system? Since there were mistakes in our past practices, are our present practices all correct? Through study they have all recognized that seeking truth from facts is a basic guiding ideology of our party in economic construction. We must adhere to this principle and act according to our capability and in the light of the actual conditions in our country. In the past 32 years of economic construction, we sometimes advanced smoothly but sometimes made mistakes. The fundamental question lies in whether we are realistic and act in the light of the actual conditions of our country. Our past mistakes in the economic work had their root in the "leftist" ideology, under the guidance of which we were impatient for success and transition and were acting in accordance with our subjective wishes, departing from China's realities and trying to exceed our actual capabilities. As a result, more haste made less

speed. Comrade Chen Yun said that "we must not blindly follow the instructions of the higher authorities or books, but must actually act in the light of realities." This also means being practical and realistic. Now, our party has corrected the errors of the "leftist" guiding ideology, resumed the ideological line of seeking truth from facts and mapped out a series of policies and principles which conform to the basic tenets of Marxism and suit the conditions of our country. It is determined to follow the correct path of socialist modernization construction. This path is sure to become wider and wider and lead our country towards prosperity.

1. Study the expositions on the relationship between the development of production and the improvement of the people's livelihood, to get a clear understanding of the starting point of our party's economic policies.

Originally, some comrades had confused ideas about the relationship between the development of production and the improvement of the people's livelihood. After the study, they understand that to gradually improve the people's material and cultural life on the basis of the development of production is the requirement of the basic law of socialist economy, the fundamental purpose of socialist production and the starting point of our party's economic policies. It is also an expression of the superiority of the socialist system. Some comrades said that one of the important reasons the people's standard of living was not relevantly raised in the past 30-odd years, though the speed of our economic development was not low, is that the relationship between production and the improvement of the people's livelihood was not handled well for quite a long period of time. Accumulation was one-sidedly emphasized while consumption was neglected; production was one-sidedly emphasized while the people's livelihood was ignored. This path, which was characterized by high accumulation, high targets, low efficiency and low daily consumption resulted, to a certain extent, in dampening the enthusiasm of the masses of people and obstructing the healthy development of economic construction. Why was the relationship between production and the people's livelihood not handled well? There were various reasons. One of them was the influence of the idea of "riches gives rise to revisionism." Guided by such an idea, right and wrong were confused in theory, hard struggle was set against the improvement of the people's livelihood, getting rich was confused with revisionism and "letting a part of the people become rich before the others" was equated with polarizing the people. It was believed the poorer one was, the more revolutionary one was. Now they understand that production and the people's livelihood complement and promote each other. Neither of them should be overemphasized at the expense of the other. Both high accumulation and no accumulation must be opposed and both production and the people's livelihood must be taken seriously. The interests of the state, the collective and the individual must be taken into account at the same time. Only in this way can the enthusiasm of the people be mobilized and the people be united in the construction of the four modernizations.

2. Study the expositions on the socialist planned economy and overall balance to make clear the relationship between the development in a planned and proportional way and the speed of development and to get a clear understanding of the correctness of the policy of readjusting the national economy.

Originally some comrades thought that "the time for the readjustment is too long," and "the speed is too low." After studying theories they first understand that the planned economy and the overall balance reflect the superiority of the socialist system. Some comrades said that in the past, they only knew that socialist construction should be carried out in a planned and proportional way but did not know the theoretical basis for it. After the study, they understand that a proper proportion must be maintained between the two categories of the national economy and between various parts within each of the two categories. Otherwise, it will become difficult to carry out social reproduction. This is a universal law of development in socialist production. On the other hand, planned and proportionate development and conscious overall balance can only be achieved under the socialist system and on the basis of the public ownership of the means of production. This is an economic law peculiar to socialism. Second, they understand the objectiveness of the law of planned development. The socialist system provides the possibility for the development of the national economy in a planned and proportionate way. It is necessary to grasp this law well and strive to achieve identity of subjective wishes and objective possibilities. Only thus can we change possibilities into realities. Otherwise, we shall be punished by the objective law. Third, they understand the importance of overall balance. The key problem in the planned economy is to achieve balance of the proportionate relations between various aspects of the national economy. Without overall balance, the economic construction will suffer losses and there will be no high speed of development. Some comrades said that one of the main reasons for the past setbacks in our economic construction is one-sidedly emphasizing speed while neglecting proportion and overall balance. The so-called positive balance was in reality abrogating balance. It resulted in the long-term and serious disproportion of the national economy. Some comrades put it more vividly by saying that "the economic work is like carrying loads with a shoulder pole. In the past, as one load was heavier than the other, it was difficult for us to step forward; now we must make the two loads be of the same weight so as to step forward with big strides." The excellent economic situation at present makes many comrades realize that we also need speed in our development, but what we need is not the so-called "high speed" which brought us losses, but a speed with better economic results and more material benefits for the people. They have seen more and more clearly that the policy of readjustment is correct. It is really a great strategic policy for the rejuvenation of China.

3. Study the expositions on socialist commodity production and the market to draw a clear distinction between the socialist commodity economy and the capitalist commodity economy and make clear that the vigorous development of commodity production and exchange is the way which must be followed in promoting socialist economic construction.

Before the study, some comrades had confused ideas about the nature of socialist commodity production and did not have a sufficient understanding of the necessity of developing commodity production under socialist conditions. They usually related the development of commodity production with the growth of capitalism. Some comrades even put the blame on the development of commodity production and the enlivening of the market for the occurrence of some problems in the market and the phenomenon of speculation and profiteering. Through study they have clarified in theory the inevitability of the existence and development of commodity production under socialist conditions. In our country, as there exist different forms of ownership systems, and under the present conditions in which our production level is still low and our products are still not abundant, only when commodity production and exchange are vigorously developed can we strengthen the relations between town and country and between various production units, and can we promote the development of production, improve the people's livelihood and strengthen the worker-peasant alliance. They have also clarified the nature of the socialist commodity economy and drawn a clear distinction between this socialist economy and capitalist commodity production. Owing to the different natures of the ownership of the means of production, the aims as well as the ways of guiding commodity production and exchange are also varied. Therefore, the development of a commodity economy will not necessarily give rise to capitalism. There are no natural connections between the development of the socialist commodity economy and the emergence of capitalism. Through study, they have also gained a clear understanding of the necessity of giving play to the supplementary role of regulation by market mechanism under the guidance of the planned economy. In our country, as production and circulation are not sufficient and there exist various economic sectors, it is necessary to open free markets and make them a supplement to the planned economy. As to some problems which have appeared due to the opening up of the market, it is necessary to make a concrete analysis and take a correct attitude toward them. There are both advantages and disadvantages in opening up the market, and the former is the main aspect. Therefore, instead of refraining from developing the market merely because of these disadvantages, we must actively promote its development as circumstances allow.

4. Study of the expositions on production relations must suit the productive forces in socialist society to get a clearer understanding of the necessity of reforming economic management systems and partially readjusting the production relations.

Before the study, quite a few comrades did not understand why the economic management systems must be reformed, why various forms of production responsibility system must be practiced and why the individual economy is allowed to exist. They were apprehensive that the "policy might have gone too far." In the study class, through learning from our lessons in the past 32 years, they recognized that the transformation of the socialist production relations must suit the development of the productive forces. In the past,

some people had one-sided ideas on this question. Some of them exaggerated the reacting role of the production relations and neglected the decisive role of the productive forces over the production relations while some others only recognized that the production relations could not fall behind the development of the productive forces but did not recognize that the former could neither surpass the development of the latter. So, they had one-sidedly emphasized "being larger in size and having a higher degree of public ownership," regardless of whether it suited and could promote the development of the productive forces. Since the 3d Plenary Session of the 11th CCP Central Committee, our party has adopted a series of measures to correct the past practices characterized by the so-called "transition through poverty" and change the phenomenon of "eating out of a big pot." This is suitable for the conditions in our country and enjoys the support of the people. The practice of various production responsibility systems is a necessary readjustment of the production relations on the premise of the public ownership of the basic means of production, to make them better suit the development of the productive forces. The individual economy which is allowed to exist at present is an appendage to the socialist economy and a supplement to the state and the collective economies. There is an essential difference between the individual economy and the capitalist economy. They cannot be confused with each other.

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HOW TO DRAW A LINE OF DEMARCATION BETWEEN MINOR OFFENSES AND CRIMES IN THE ECONOMIC FIELD

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[Article by Liu Baibi [0491 4101 4581]]

[Text] In a broader sense, the so-called offenses in the economic field are acts which violate laws, decrees, rules and regulations in the economic field. According to the seriousness and nature of such acts, they can be divided into two kinds: minor offenses and serious offenses violating the law in the economic field. The latter are economic crimes.

Minor offenses in the economic field are acts which violate a certain law, decree, rule or regulation, which are not serious and do not do much harm to society or which are not serious enough to be punished according to the criminal law. Offenses of this kind mainly include: 1) acts violating economic laws or regulations. Economic laws and regulations are general terms for laws, decrees, rules and regulations and programs which adjust economic relations and they include separate laws and regulations. Anyone who violates any provision in these economic laws and regulations will be restrained or punished accordingly. Although this kind of punishment includes financial punishment, it is mainly of an administrative nature. 2) Acts violating civil law. Anyone who violates provisions in civil law concerning proprietary rights, relations stated in contracts, compensation for damage (or creditor's rights), fruits of intellectual work, right of inheritance, and so on, will be investigated and affixed civil responsibility and punished according to the civil law. He will be ordered to remove obstacles, stop encroachment, remove danger, return things to their owners, restore things to their original state, make compensation for damage, hand over money and things obtained through illegal means, pay fines, indemnify for not fulfilling a contract, repair something, replace something or redo something. 3) Acts violating provisions in the administrative rules and regulations concerning the protection of public property and the lawful property of citizens. Offenders in this respect will be investigated and affixed administrative responsibility: they will either be detained, fined or given administrative punishment such as disciplinary warning by the

public security organs according to the conditions of each specific case; or appropriately given disciplinary punishment such as recording a demerit, demotion or dismissal by authorized administrative organizations concerned according to law.

Serious offenses in the economic field are those which violate economic laws and regulations, causing great losses to the interests of the country and the people, seriously endangering society and violating criminal law. To be specific, acts which violate the management laws and regulations of industry, agriculture, finance, taxation, the monetary system, pricing, trade and commerce, the customs, forestry, aquatic production and mining, endanger the socialist economy of public ownership, undermine the economic order in foreign trade management, market management, finance, taxation and the monetary system which are under the guidance of state plans, or acts such as theft, misappropriation, deception, plundering and embezzlement of public property or personal property of a citizen, which cause serious losses to the interests of the state, the collective or the individual and thus deserve criminal punishment, are serious economic offenses, that is, economic crimes.

It can now be seen that minor offenses and crimes in the economic field are closely related but are different from one another. An economic crime must be an offense violating the law but offenses in the economic field are not necessarily crimes. Most offenses in the economic field are minor offenses. Only when the seriousness of an offense reaches a certain degree will it be regarded as a crime. They are common in some aspects: both endanger society, violate the law, are committed intentionally or by mistake and are both committed by people who, according to law, are able to act and old enough to be responsible for themselves. However, the differences between them are also very obvious. The main characteristics of their differences are as follows:

1) An economic crime's harmfulness to society is rather great. The criminal law of our country determines whether an offense in the economic field is a crime or not according to its harmfulness to society, which is mainly defined in the following ways: whether or not a case is serious or vicious; whether or not a case involves a huge amount of money or property; whether or not the consequences are grave; whether or not an offense is committed "intentionally" to acquire personal gains or avenge oneself or for other personal aims. Article 116 of the criminal law, for example, stipulates that a case of smuggling constitutes a crime only if it is "serious." Here, seriousness means the value of the contraband is very high or the profit gained is very high; the smuggler is a habitual offender or the smuggling is done by a criminal group; drugs, military supplies or other forbidden goods are smuggled; armed smuggling; smugglers resist, with violence, inspection or confiscation of illicit money or goods. All this will do much harm to society. Of course, acts of smuggling which are not as serious as the foregoing ones are minor offenses of smuggling which have violated the law. In judicial practice, acts of embezzlement and bribery are also judged according to the seriousness and consequences of each case. Only serious cases of embezzlement or bribery are punished as crimes of embezzlement or bribery.

2) Economic crimes are acts which violate criminal law, that is, characteristic of violation against the criminal law. Article 10 of our country's criminal law stresses that only acts which "should be punished according to criminal law" are considered as crimes, for example, cases of theft, swindling and plundering public property that involve a very large amount of money or goods constitute crimes of theft, swindling and plundering, which will be punished according to Article 151 of the criminal law. But acts of stealing, swindling or embezzling small amounts of public property or other people's property are minor offenses violating the law and will be punished according to Article 11 of the rules and regulations for public security management and punishment. It can thus be seen that the characteristic of violation against the criminal law of an act is its harmfulness to the society expressed in legal terms. If an act does harm to the society only to a certain degree but has not violated any stipulation in the criminal law, it is not a crime. If we are clear about this point and determine whether or not a certain act which is harmful to the society is a crime according to the relevant provisions in the criminal law, we can avoid being overlenient toward criminals or passing verdicts and giving punishment arbitrarily and can put an end to or reduce mistakes in enforcing the law.

3) Economic crimes are acts which should be punished according to the criminal law, that is, punishable by the criminal law. This is a supplement to, and a result of, harmfulness to the society and the characteristic of violation against the criminal law and also conditions them. For example: illegally cutting or denuding trees in forests or in other places; the ringleader who organizes and instigates cutting and denuding trees in forests; people who habitually illegally cut and denude trees in forests and refuse to mend their ways after repeated education. Since acts of this kind bring great harm to society, directly violate the rules and regulations for protecting forests, are serious and bring about grave consequences, we will not be able to puncture the inordinate arrogance of the criminals, warn minor offenders or educate the masses if we do not punish them according to the criminal law. Therefore, Article 128 of the criminal law stipulates that those who are guilty of these crimes "will be sentenced to fixed terms of imprisonment of not more than 3 years or detention and can concurrently or exclusively be fined." Acts of cutting a small amount of bamboo or trees which belong to the state or the collective are also acts harmful to society and violating the law, but since such acts are not serious and the harm done to society is less, offenders concerned will only be given administrative punishment. According to Article 12 of the rules and regulations for public security management and punishment, the offenders will be detained for not more than 5 days or be sentenced fines of not more than 10 yuan or be given a warning.

When we try to draw a line of demarcation between minor offenses violating the law and crimes in the economic field, we must take into consideration all the three characteristics mentioned above. Acts whose harmfulness to society is great, which have violated criminal law and which are punishable according to the criminal law are considered as crimes. Acts which do not possess any of these characteristics or conditions are minor offenses violating the law.

IS DISPROPORTION IN OUR COUNTRY'S ECONOMY AN ECONOMIC CRISIS?

HK290409 Beijing RED FLAG in Chinese No 14, 16 Jul 82 pp 37-38

[Article by Li Zhuqi [2621 0031 0366]]

[Text] Economic crises are the periodic chaotic phenomena of socioeconomic activities in the course of the development of the capitalist economy. Their characteristic is relative overproduction. In a socialist society, there are no such economic crises. This is because public ownership of the means of production in a socialist society eliminates the origin of such crises--the contradiction between private ownership of the means of production and socialized production. A socialist state can conscientiously apply the objective economic law, coordinate and organize socioeconomic activities, bring about a planned and proportionate development of the national economy, and continuously meet the evergrowing material and cultural demands of its people on the basis of developing production.

It is true that there used to be imbalance in our national economy and even serious imbalance in our national economy which adversely affected our socialist construction and the people's life. In the 2 years following the smashing of the "gang of four," due to an underestimation of the effects of the sabotage of the national economy and the effects of the "leftist" guiding ideology, we blindly pursued "doing things on a large scale and achieving a speedy development." Some of our annual accumulation rates were as high as 36.5 percent, and the imbalance in our national economy created over the previous year was exposed suddenly. Some comrades maintained that this imbalance constituted an economic crisis. This is obviously a misunderstanding.

An economic crisis is a characteristic phenomenon of capitalist society. This crisis is a concrete expression of the fundamental contradiction of capitalism which is directly caused by the disparity between production and consumption. During such a crisis, a balance between production and consumption is forcibly achieved through the disruption of productive forces. Imbalances in our national economy are totally different from economic crises.

First, a capitalist economic crisis originates from the fundamental contradiction of capitalism, namely, the contradiction between socialized production and capitalist private ownership of the means of production. In pursuing high

profits, capitalists have to speed up production and sales with all possible technological and technical means, and also try in every possible way to further exploit workers. Although in each capitalist factory, production is organized and planned, it is competitive and anarchistic in society as a whole. Although there is a big increase in salable commodities, the amount the laboring masses, the majority of the whole population, can afford to buy tends to decrease relatively. Therefore, economic crises become an inevitable part of capitalism. "As long as this system exists, crises will certainly be produced by it." ("Collected Works of Marx and Engels," Vol 12, p 607)

When our national economy was imbalanced, it was not an inevitable outgrowth of the socialist economy. In addition to wanton sabotage activities carried out by Lin Biao and the "gang of four," the following are some major causes of our serious economic imbalance: The "leftist" guiding ideology; laying one-sided stress on "high speed"; putting undue emphasis on the so-called key links and creating excessively high accumulation rates; and giving too much prominence to some departments at the cost of squeezing other departments out. In the final analysis, it was caused by mistakes we made in our work and it was the result of the violation of the socialist objective economic law.

Second, capitalist economic crises are the expression of the periodic chaotic phenomena of socioeconomic activities. On the one hand, with the blind expansion of production, a big surplus of commodities is stockpiled; on the other hand, the necessity to reduce production creates a large surplus of workers and a drastic increase in unemployment. After such a crisis, production depression shifts to recovery and then shifts to upsurge. And the upsurge itself is fraught with new crises. Hence, capitalist production undergoes periodic swings from crisis to prosperity and vice versa. Although postwar capitalist economic crises have new characteristics, economic crises continue to emerge periodically.

The common characteristics of an imbalance in our national economy are: heavy industry is promoted at the expense of light industry and agriculture; undue emphasis is laid on accumulation at the expense of consumption; the means of production and consumer goods are in great demand; and people's living standards have not been properly raised. However, such an imbalance is not a periodic phenomenon. It is just related to our mistakes in work. Therefore, after correcting our mistakes in work and making readjustments, we can redevelop our national economy.

Lastly, economic crises are an incurable pestilence of capitalist society. Capitalists also want to prevent economic crises. However, none of the measures adopted by capitalists and their governments to prevent economic crises have been effective. In a capitalist society, the proportion demanded by socialized mass production can only be realized through economic crises and the serious damage done by such crises. When there is an economic crisis, those capitalists who are blinded by greed will destroy products in batches in order

to maintain high prices, will fire a large number of workers to reduce expenditure, will shift losses on to others through the increasingly high inflation rate, and will turn the broad masses of working people into victims of the crisis.

An imbalance in our national economy can be overcome by making subjective efforts. In 1979, to counter the imbalanced situation created over the previous years, we began readjusting our national economy. Following the readjustments made over the past 3 years, we have quickly developed the production of consumer goods, found jobs for 26 million urban youths awaiting employment, and remarkably raised the people's living standards under a rather difficult financial situation. Due to the state's increases in the purchasing prices of agricultural and sideline products and due to the reduction of the tax rate, the income of peasants throughout the country increased by more than 50 billion yuan from 1979 to 1981. On average, the monthly income of every member of the staff and workers' families that can be spent on living expenses increased by 46.8 percent; after calculating the rise in the cost of living, the actual income increased by 30.8 percent. Since this year, the ratio between accumulation and consumption, and the ratio between agriculture, light industry and heavy industry, have been further coordinated. All these things are in sharp contrast with the consequences of the economic crises in capitalist countries.

From this we can see that one must never deviate from the essence of economic crises and that one must not draw a superficial analogy between certain economic phenomena in socialist and capitalist societies in order to find out the so-called "general character" and to conclude that economic crises also exist in a socialist society.

CSO: 4004/43

A TABLE OF NEW PEOPLE ON THE INDUSTRIAL FRONT--SCRAPS OF COMMENT ON IMAGES
OF NEW PEOPLE IN JIANG ZILONG'S WORKS

HK101051 Beijing RED FLAG in Chinese No 14, 16 Jul 82 pp 39-41

[Commentary by Ma Xianting [7456 3759 1694] and Fong Bojing [2455 0130 2417]]

[Text] In the "congratulatory speech" made by Comrade Deng Xiaoping at the Fourth National Congress of Representatives of Artists and Writers, he demanded that artists and writers portray socialist new people. It is an important task for writers and artists to carry out this demand. Socialist new people are representatives of the advancing force of the era as well as the embodiment of the spirit of the era. If literature is to reflect the era, efforts should be made to portray well the images of new people. In recent years, writers have made satisfactory achievements in the portrayal of images of socialist new people. The efforts Jiang Zilong, a writer, has made in the realm of industrial themes which people are concerned about, deserves mention.

I

Jiang Zilong plants the root of his creation deep in the soil of the realistic life of factories. He is able to feel strongly that the advance of the times has brought various changes, morally, socially and spiritually to the mass of cadres and workers in the industrial field. He once said that, in his writing, he had noticed that the advance of the times had given rise to problems concerning the structure, system and management of industry, though, what he gave most thought to was the mental state of people in an era of great reformation. Therefore, in portraying the life in factories, he was able to rid himself of the limitation of sticking to facts and real people in factories. He was also able to avoid falling into the trap of writing about "disputed plans" in the techniques of production. Instead, he blazed a new trail along the road of depicting people. The works of Jiang Zilong make us feel strongly that in his works, he follows the footsteps of the times. He seeks and commands the direction of history's advance and he depicts images of new people of the new era. All this was realized in the same process. His series of works have their emphasis on the people in the new period on the industrial front. Works such as "Factory Director Qiao Assumes Office," "The Pioneers" and "Red, Orange, Yellow, Green, Indigo, Blue and Purple" have depicted a series of vivid images

of people. The images range from ordinary workers, team leaders and group leaders, technicians, engineers, directors of workshops, factory directors, party secretaries, company managers, to leading cadres of bureaus, provinces or municipalities or even cadres of higher rank. All these images have appeared in his works. In these many images of people, readers can distinctly detect the signs of rains and storms of the time. They can also see the struggle between the new and the old ideologies and the supersession. He has made relentless exposure of the scars and shadows impressed on people's minds in the old days, and at the same time, with bursting enthusiasm, he has depicted many brilliant images of socialist new people. In this respect, we all remember that Jiang Zilong voiced his opinions by way of his works while the arts circles were still discussing what socialist new people were, shouldn't they be depicted and how should they be presented? "Factory Director Qiao Assumes Office" is his first piece of work which builds up an image of a new person, Qiao Guangpu, who is a courageous and daring pioneer. This has aroused strong response on every front. When people threw up their hands and enthusiastically welcomed the birth of this literary image, the writer went on to introduce Che Pengkuan and Xie Jing, two new images with different personalities. He led them into the hall of literature from the realm of real life, thus enriching the literature gallery of socialist new people.

The contents of life in the socialist era are rich and colorful. It is certain that the images of socialist new people have striking personalities and are of different typical significance. Especially since the smashing of the "gang of four," and since bringing order out of chaos, people of talent have come forth in large numbers on the industrial front. If the old habit of portraying new people in a unified image and with unified rules of action is pursued, the rich contents of this great era can never be brought out in a correct way. Therefore, from Qiao Guangpu and Che Pengkuan to Xie Jing, each of them possesses their own striking personality. Both Qiao Guangpu and Che Pengkuan are leaders on the industrial front. They are advanced figures standing at the fore of struggle at a time when our national economy is badly in need of readjustment, recovery and development. They either serve as the mainstay in an adverse current or make vigorous efforts to turn the tide or hack their way through difficulties. They have the same spirits and temperament, yet they are totally different in expression, style and features. What one can see in Qiao Guangpu is the undaunted fighting spirit of a revolutionary whereas in Che Pengkuan the courage and insight of a high-ranking leading cadres are brought out. Though they are quite close in their thinking on bearing responsibility for the country and the revolution, the readers will never mix their images. Jiang Zilong has successfully portrayed different images of new people of leading cadres on the industrial front, but the table of new people on the industrial front which he has stored in his mind is far wider than this. Xie Jing in "Red, Orange, Yellow, Green, Indigo, Blue and Purple" is another type of image of a new person who is completely different from Qiao Guangpu. As for her age, she is only 20-odd. As for her post, she is but a petty cadre, and even then, a newly-promoted cadre. She is different from the images of new people who do pioneer work and opening-up work in the new era. She was harmed by the

pernicious influence at the time when the "gang of four" was rampant. She experienced "mental collapse" during the transitional period of history. Nevertheless, being enlightened and tempered by the era, she rediscovered herself and reestablished her faith in life. She manages to catch up with the footsteps of the new era and becomes a new type of enterprise management cadre. Such images of new people are not only rare in the works with industrial themes, but also a breakthrough in the writing of Jiang Zilong himself. The success Jiang Zilong has achieved in his portrayal of socialist new people shows that the socialist new people in literature should and have to be as rich and colorful as the new people in life.

II

Socialist new people emerge and grow in the contradictory struggle which is characteristic of the new era. Because of this, Jiang Zilong pays special attention to portraying images of new people in acute and complicated conflict. During the new historical period, owing to the new era's characteristic of doing away with the old and making way for the new, social life is filled with contradictions and struggle between reformation and the status quo, progress and backwardness, brightness and darkness. Of these contradictions, most of them are internal contradictions of the people. A small number of them are contradictions between ourselves and the enemy. However, the characteristics of the new era decide that the people's internal contradictions and the struggle between the old and new thinking, morality, ethics and between world outlooks are still very complicated. In his portrayal of socialist new people, Jiang Zilong is good at placing the characters in the new conflicts that come up in this new period, so as to expose their characters, describe their ideology of life and reveal the beautiful and lofty mental state of the new people in many ways. Whether it is Qiao Guangpu or Che Pengkuan, what they face is not an armchair waiting to be filled. Instead, there are roadblocks of difficulty one after another ahead of them. For a pathbreaker on the industrial front like Qiao Guangpu, the writer places him in a historical background to set off his description of him, that is after the smashing of the "gang of four" and when the four modernizations had just taken their first difficult steps. On the one hand, there are the complicated conflicts and the multifarious problems left over by the 10 years of chaos and on the other hand, there is the encouraging situation of marching towards the four modernizations. Qiao Guangpu puts aside his personal gains and losses, issues "military orders" and plays the role of "hero" of the era. One difficulty after another cause him to run into snags. Time and again he plunges into difficulty. The flames of conflict steel his character--the attacking character of a socialist pathbreaker. When depicting the character Xie Jing, the writer also places her on the realistic and complicated stage of life and society. The writer lets her fight, lets her wrestle, to kindle sparks of thinking and temperament revealing the brilliance of new people. She used to be fortune's favourite during the "Cultural Revolution." She joined the party easily. She became the secretary of the factory director. Later she is promoted to deputy section chief of the propaganda office. The smashing of the "gang of four" brings dramatic

changes to her fate. From an envious status of successor she falls to a state of constantly being discriminated against. The writer ruthlessly casts this character from the wave-tops of life into a very deep whirlpool. She leaves the administrative building and comes to the motorcar team. One difficulty appears after another and she meets with one trial after another. During her 2 years in the motorcar team, she suffers great sorrow, she sheds tears. But what is more important is that, in the miserable trial, she begins thinking deeply and this successfully gets her through an extraordinary course of ideological fission. New strength is produced. She turns sober and wise, more mature and also stronger. She not only grows into a qualified business management cadres who meets the need of the four modernizations but also has a real understanding of life, and this changes her "monocolor" ideology of the past. The conflicts in the new era have changed her way of life, and this has also given her impetus to become a socialist new person. If we say that Xie Jing, as a new person in life is a masterpiece of the conflicts of the era, then, as an image of new people in the arts, she is the fruit of Jiang Zilong's boldness and adeptness in placing his characters in the adversity of life to experience trials and ups and downs.

III

In his portrayal of new people, Jiang Zilong takes special care to express the traits of the grain his character and to write about the features of the new people of the age. [sentence as printed] Literature should not only express the varied specific characters of new people, but also the characteristic essence of the spirit of the times shared by the specific characters. In this respect, the general and the specific characters of new people are unified. In the portrayal of socialist new people, how to reveal the characteristics of the age in the figure's specific characters is a question of great importance.

As socialist new people, what are the common features that the era has entrusted to them? We should begin speaking of this from the basic features of our times. Our era is a time of doing away with the old and making way for the new, a time of carrying forward the revolutionary cause and forging ahead into the future. Such a time is filled with the struggle between the new and the old with the new playing the dominant role. The struggle between the new and the old is tortuous and has relapses, but the general tendency of development is that the new will inevitably prevail over the old. The prospects are bright and promising. Such characteristics of the age will have their reflection in the mental world of the socialist new people. This is consciously shown in their firm belief in transforming the objective world and their conscientious demand for the transformation of the subjective world. Moreover, it is shown in their lofty ideals and their faith in the victory of the socialist cause. All this is quite obvious in Jiang Zilong's portrayal of images of new people.

From Qiao Guangpu and Che Pengkuan to Xie Jing, each one of them is a vanguard pounding bravely at the old thinking and the old forces of habit. They represent the advancing goal of the times and they stand at the fore in transforming the objective world. Che Pengkuan as a provincial committee secretary in charge of industry, firmly implements the line of the party's third plenary session and the Central Committee's policies. During the economic readjustment, he proposes a series of new reformation measures such as opening the doors, developing competition between enterprises, and employing regulation by market mechanism. He comes upon a train of obstacles and resistance, for this reformation not only touches the old and deep-rooted system of economic management, but also shakes the bureaucratic style and the conservative cadre system. This strains the nerves of many people. It affects people as important as the high-ranking cadres and as low as the directors of factories as well as ordinary workers. It also involves the delicate yet complicated relationship of families, relatives and the relationship between seniors and juniors and so on. It is in this situation, where big rings link with small rings, that Che Pengkuan breaks through hardships and endures. He resists pressure from above, turning a deaf ear to the accusation of the first secretary of the provincial committee, and overcoming the obstruction of his own wife and his comrades-in-arms. With the support of the masses of people and a batch of cadres who are determined in reformation, he courageously blazes a path for the development of industry in China.

Xie Jing is strong in character. She takes pains to fight against that force which drives people to pessimism, vulgarity, selfishness and indifference. Her willpower makes a deep impression and has a strong influence on the youth on the motorcar team. Her willpower leads them onto the right road. Her character, morals and spirit are just like a torch which lights so brilliantly that the rascal Ho Shun can find nowhere to conceal himself. He is made to see that he is nothing but a base and mean person spiritually, and his self-respect and sense of honor are aroused. Her lofty thinking and morals are like a warm spring breeze swaying Yie Fang who is fond of eating, drinking and dressing up. She is determined never to let other people's minds replace hers in thinking and to turn over a new leaf. What is more important, with her own powerful mental strength, she prevails over Liu Sijia, who is cynical yet talented. She causes the total collapse of the defense line of his previous thinking and starts him taking life seriously. All the images of new people in Jiang Zilong's works have the powerful strength of transforming the objective world, nevertheless, they are not in the least lofty "sacred people." They each have their own shortcomings and weak points. Old times, old thinking and force of habit have left scars and loads on their minds. While transforming the objective world, they are at the same time remolding the subjective world. Jiang Zilong never whitewashes his images of new people, and what is more, he takes their spirit of self-transformation and conscientiously making revolution as important contents in enriching and promoting his images of new people. (Of course, self-transformation and conscientiously making revolution have to lend support from and rely on the party, people and the collective power.) Jiang Zilong does not "idealize" his images of new people, but this does not in the least mean he does not care how the

ideology of the new people is manifested. Quite on the contrary, manifesting the new people's lofty ideals and their firm belief in the socialist cause is a prominent feature of Jiang Zilong's portrayal of socialist new people. What deserves mention is that in the matter of writing about the ideals of new people, some people have gone to another extreme. This occurred when the emphasis was put on the reality of works and criticism was made of the idealization of heroic characters in the past writings and later, when the criticism of the "lofty, great and perfect" and "false, great and empty" was made. Some people did away with revolutionary romanticism and stopped writing about the ideals of characters. At a time when some people were having "a crisis of belief," Jiang Zilong allowed the raging flame of ideals to blaze in the hearts of his new people. Why does Qiao Guangpu dare to set down military orders? Because he firmly believes that the cause of the four modernizations to which he is dedicating himself reflects the objective demand of historical development. It stands for the fundamental interests and aspirations of the people, and therefore it will undoubtedly be victorious. With the leadership of the party and the strength of the people, the chaotic and backward situation in factories can be changed. This is the firm belief and ideal of Qiao Guangpu. Che Pangkuan has no fear in getting rid of every obstacle that stands in his way in carrying out economic reformation. He does not yield when he meets with setbacks. All this is because he realizes that economic readjustment and reformation suits the situation of the country and the aspirations of the people. He builds his thinking and deeds on his understanding of the inevitability of history and his devotion to the cause of the party and the people. That is why he possesses inexhaustible courage and strength. Xie Jing is an innocent girl who does not know much of the world. Then why is she bold enough to go and plant herself in the transportation team where most of the "rogues" are gathered? This is also due to her belief in the strength of the masses and her firm belief in relying on the influence of the masses to change the appearance of the transportation team. At the same time, she can also transform herself into a "person who meets the needs of society." Owing to the fact that the images of new people such as Qiao Guangpu are all shining with the brilliance of ideals, Jiang Zilong's works boast of an artistic charm which is both heart-stirring and encouraging.

Socialist new people are the backbone of the new era. They stand for the hopes of the people. Taking pains to portray socialist new people is the serious and unshirkable responsibility of writers. It is highly necessary to depict well their lofty mentality and their unshakable belief in the socialist cause, so that, facing these examples, more people will feel uplifted. They will follow their examples and learn from them. Moreover, it will cause the broad masses of people, especially the younger generation to have a deep understanding of the reality of today and at the same time to have a picture of the brighter future, thus gaining faith and the strength to march forward. Of course, the portrayal of socialist new man is a new subject in the creation of arts and literature. It is praiseworthy that Jiang Zilong has made a positive probe into the portrayal of images of socialist new people on the industrial front. He has won certain achievements and has accumulated some experiences. We expect him to continue achieving new successes in this respect and to reach a higher plane.

WRITING SHORT ARTICLES IS ALSO A KIND OF ART

HK231400 Beijing RED FLAG in Chinese No 14, 16 Jul 82 p 43

[Zawen [essay] by Jiang Xia [3068 7209]]

[Text] A reader will never get tired of reading a well-written short essay, and he will certainly cherish it. Saying that Lu Xun's essays are worth reading a hundred times and that they can bring you new ideas each time you read them is no exaggeration. Revolutionaries and theorists such as Lenin and Mao Zedong have also written excellent short essays. The essays of Francis Bacon, a Western philosopher, are short, philosophical and refined. (We have a Chinese translation of "Bacon's Essays.") Chinese short essays span a long history. Succinct and fine pieces, ranging from classical essays to literary sketches and short essays, are not rare. Many of the widely-acclaimed writers after the 4 May movement were also good at writing short essays. Each of them showed a unique style and short essays were becoming a miniature art form. There were some "mini" types called "saggers," "gleanings" and "breaking off a branch."

Short essays have become more prosperous as ideological work has enlivened. "Today's article," "public forum," "thousand-word article," "sketches" and "informal essays" are often in the press. Comments are often made on whether these essays are well-written or not. This reflects the significance and popularity of these short essays. If communism is a grandiose symphony, the characteristics and strong points of each participating instrument should be brought into play. Short essays are often supplementary to long and solemn theses. However, importance should be attached to short essays as they are impressive, effective, well-accepted and can be read in a short time. That is to say, we should seriously write and compile short essays.

Writing short essays is also an art form. However, writing them is by no means easy, for a perfect essay should be succinct and should not be empty, dry or fragmented. Nowadays, some short essays are well-written. Their characteristics can, at least, be listed as follows. Although some of the following points should also be noted in long essay writing, they are more important in short essay writing:

1. An appropriate "angle" should be adopted, so that we can focus our attention on one point and be succinct. No matter how we use substantial words to express abstract ideas or how we use abstract terms to describe substantial things, there will not be any mistaking what is the aim of our essay. Our essay should be laconic, not dull. Outlines, generalities, teaching materials or essays which begin "since the creation of the universe" are not what we want.

2. We should have a refined viewpoint. That is to say, we should have the ability to hit the nail on the head, to call for deep thought, to embody the theories of Marxism-Leninism and be unbiased and conscientious. We should just air our opinion, but nothing else. An essay should have some new ideas to enlighten people. It should not be written sloppily or unprepossessingly. Conciseness and depth are its essence.

3. We should follow a rational line in writing an essay. We should not simply make excerpts from a long essay or load it with aphorisms. We can make analyses and give proof. We can have our own train of thought and a coherent and logical structure. Interludes within the four steps in the composition of an essay (i.e., introduction, elucidation of the theme, transition to another viewpoint and summing-up) should be done away with.

4. Rich and colorful vocabulary should be used. Apart from using vivid and refined words, we can also add luster to an essay by alluding to historical facts at all times and in all countries. Overornamentation is not the flower of rhetoric. The passion, the wisdom and the strength that are seen in a simple and cordial essay are the flowers of rhetoric.

The above points are, in fact, not a summing up of the ways of writing a short essay. The key to writing a good essay lies in the research and study done by the author, his careful consideration, rich knowledge, trained technique, and his ability to explain the profound in simple terms. This is an endless process of his work. It is also worth trying. To constantly improve one's writing of essays is also fun. It is an art form which strives to widen people's horizon. If used to deal with one's enemy, it is a strategy which pays attention to close combat and striking at the enemy's vulnerable spots.

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THE STRATEGY OF SOCIOECONOMIC DEVELOPMENT OF DEVELOPING COUNTRIES

HK231514 Beijing RED FLAG in Chinese No 14, 16 Jul 82 pp 44-47

[Article by Li Cong [2621 3827]]

[Text] After gaining political independence, developing countries strive hard to rapidly develop an independent national economy and improve their long-standing condition of poverty and backwardness. They are anxious to get away from foreign control of their economy. This is a continuation of the struggle for national independence. Like the struggle for political independence, this struggle, which involves the majority of the global population, affects not only the destiny of developing countries, but, to a large extent, the historical progress of mankind.

The socioeconomic development of developing countries hinges on a number of subjective and objective factors. Among them is the establishment and practice of correct development strategies--to ascertain a general target for and responsibility of socioeconomic development within a fixed period, and to adopt appropriate strategic measures to fulfill them in accordance with correct ideological guidelines--and they are very important.

It is very difficult for developing countries to establish and practice appropriate development strategies. First of all, they have to understand thoroughly the economic development system and national conditions. Domestically developing countries are faced with the problems of economic and cultural backwardness, as well as an inadequacy in capital and technological expertise. Internationally, their independent development and progress are hampered and devastated by the undue influences of imperialism, hegemony and colonialism. Such influences tend either to retain developing countries in their backward conditions or to divert the economy of developing countries into their own strategic track, so that developing countries are under their control. It is in the course of overcoming such problems and hindrances that developing countries build up and practice their development strategies.

To date, developing countries have established and practiced different varieties of development strategies. These include emphasizing the development of primary products, giving priority to the development of heavy industry,

emphasizing the development of industrial products to replace imports and emphasizing the development of industrial products for foreign markets. These strategies have their own strong and weak points. When applied to different countries, any kind of strategy will have its advantages and disadvantages. Generally speaking, these strategies have scored considerable or even remarkable results in developing countries. At the same time, these strategies have also created some problems, some of them serious. Most developing countries have not much difficulty in practicing strategies emphasizing the development of primary products. In fact, they utilize their countries' natural resources and make a considerable profit. However, a country will be unable to improve its long-standing distorted and unilateral economic structure brought about by colonialism, and it is difficult for it to bring about the rapid development and independent economy if it only engages in the production and export of a few, or just one or two types, of agricultural or mineral products. Strategies giving priority to the development of heavy industry are beneficial to building up the base of heavy industry. However, many countries have suffered from an imbalance in their national economy because they have excessively concentrated on capital-consuming heavy industry which is slow in producing the desired results, while overlooking the development of light industry, agriculture and different service departments. In the late 1950's, some developing countries began to develop industrial products to replace imports and we had the so-called "import substitute" strategy. In the first few years, there was greater growth in consumer industry production and the national economy also strengthened. Because of limited domestic markets, it was difficult to maintain rapid growth in the economy after the industrial products development reached a certain level. On the other hand, the condition of the international revenue and expenditure worsened as a result of growing imports of machinery, semi-finished products and raw materials needed in the development of industrial products. In the late 1960's, some developing countries turned to develop industries for foreign markets, that is, the so-called "export substitute" strategy. Within a certain period, production efficiency rose, and costs were reduced. Many products especially the labor-intensive ones, became more competitive in the international markets. Increasing exports enhanced import capacity. As a result, more production departments were developed. With this strategy in practice, the national economy relied more on the international market and it was difficult to maintain stable economic development. Some important economic departments, to varying degrees, were controlled by foreign capital as a result of the large amount of imported capital and technology. From the early 1970's, the Western economy has fallen into the dire straits of production stagnation and inflation. The emergence of new protectionism in new international trade has aggravated the already difficult situation in carrying out this development strategy. Consequently, in recent years, developing countries are increasingly concerned about the need to summarize the experience of the previous stage, tackle existing problems and investigate appropriate strategies.

II

What should be the targets of developing countries' development strategies? This is the principal question that developing countries have to ascertain in the course of summing up past experiences and lessons. As the basic conditions of most developing countries are poverty, undeveloped production, and a dependent economy, the general target of their development strategies should be to change such conditions, to materialize production development, to raise the standard of living and to obtain an independent economy. The three should be inter-related and restricted and should not be disintegrated. We should weigh the advantages and disadvantages of development strategies from three angles:

1. Production development

In the past, many developing countries have made great efforts in developing industrial production. Some countries have scored more prominent results. In the 1970's, the gross national product (GNP) of developing countries had an annual increase of 5.1 percent. Of this, industrial growth rate was 6.5 percent, which was higher than that of the developed countries. As a result the proportion of GNP of developing countries in global GNP increased from 15 percent in 1970 to 18 percent in 1980. Meanwhile, the proportion of their industrial production also rose to 10.9 percent, from 8.8 percent, and the proportion of exports also rose to 27.3 percent, from 19.7 percent. The proportion of manufactured goods among export products also increased. Countries like Brazil, India, Mexico and Argentina have formulated comparatively concrete industrial systems at the initial stage.

Nevertheless, many developing countries have, for a considerably long period, given inadequate attention to different departments for the development of a balanced national economy. This was evidenced in the pursuit of rapid growth in industrial production, and a limited degree of negligence over agricultural development. As feudalistic distribution of land still maintained an important or predominant position in the rural areas of many countries, agriculture has fallen behind. The average annual growth rate of agricultural production has decreased from 3.5 percent in the 1960's to 2.6 percent in the 1970's. The growth in food was even smaller. The growth rate of food in many countries was smaller than population growth. According to the statistics of 128 developing countries, in the 1960's, 56 countries had a smaller growth rate of food than in population growth. However, the figures increased to 69 in the 1970's. Consequently, many countries were short of food. In the early 1950's, the developing countries as a whole exported some grain. In late 1950's, many countries began to import it. In the 1960's, annual imports of grain averaged 20 million tons, rose to 60 million tons in the early 1970's and reached 95 million tons in 1980. The rapid increase in foreign exchange for grain seriously impeded the development of industry as well as of the national economy.

The imbalance of economic development is also seen in some countries whose development of light industry and heavy industry is out of proportion. Their limited capital has been mainly invested in their heavy industry. As a result, difficulties arise such as slow flow of capital, low economic effect and little accumulation.

2. Rise in standard of living

With the development of production, the standard of living of some developing countries has, to various extents, increased. Such countries still experienced an average of 2.7 percent growth in GNP in the 1970's despite their high population growth rate. Those whose economic development was fast experienced a more rapid increase in their average national income.

However, this kind of average figure cannot fully reflect the actual livelihood of the masses. Those nationalistic countries which are developing along the capitalistic line are inevitably dominated by the capitalistic economic law as well as by the capitalistic law of accumulation. In order to achieve rapid economic development, some of the countries even involve themselves in high accumulation and heavy investment at the expense of their economic strength and the improvement of people's livelihood. In such a case, the mass do not actually benefit from the production growth in their countries and the problem of polarization gets worse and worse. On one pole, the wealth of the society is within the hands of a minority group; on the other, the masses lead a poor life. In the developing countries, 0.8 billion people are penniless. In many countries, the number of unemployed constitutes 20 percent or even more of the labor force. Unemployment not only seriously affects economic development, but also causes social unrest.

3. Economic independence

Many developing countries have gradually come to know that political independence cannot be completely achieved and consolidated if economic independence is not achieved. In order to fight for economic independence, they have adopted a series of policies such as recovering the rights to resources from foreign corporations and imposing restrictions on foreign enterprises until they are nationalized. However, it should be noted that since the developing countries are still under an old, unjust and unequal international economic order and are unable to break away from the domination and plunder of imperialism, hegemony and colonialism, most of them have failed to attach much importance to economic independence while they devote themselves to production development. As a result, their production is developing, but they still remain economically dependent. The production departments of many developing countries are, to varying degrees, still dominated by Western transnational corporations, and the prices of exported goods are still determined by advanced countries. For instance, the developing countries suffered a great loss in 1981 as the prices of their primary product dropped 15 percent. As they were short of capital, the developing countries had to seek loans.

The total amount of foreign loans rose from U.S.\$87 billion in 1971 to U.S.\$446 billion in 1980. In 1981 it rose to U.S.\$524 billion. The total amount of interest paid and repayment of principal for the year was U.S.\$112 billion. As they are heavily in debt, the developing countries cannot but rely more heavily on the creditor nations.

In conclusion, the developing countries have scored certain results through their production strategies in the past 2 or 3 decades. However, so far as the ultimate target of their production strategies are concerned, they still have a long way to go. In recent years, during the course of concentrating on achieving their strategic aims and searching for a new strategy for production, the developing countries have adopted a series of policies aimed at solving various problems with which they are confronted. Such policies include: overcoming weaker links, greatly developing agriculture, energy, transport and communication, expanding medium and small enterprises and labor intensive production departments so as to reduce unemployment, raising the standard of living, improving medical care and hygiene, culture and education, carrying on the fighting for the improvement of trade conditions, readjusting the policy of foreign capital, fully and effectively utilizing foreign capital, increasing funds for technological development, improving conditions for introducing technology from advanced countries, strengthening the cooperation among developing countries, insisting on fighting for the establishment of a new international economic order, etc. Many countries have scored remarkable results in carrying out the above policies.

III

We learn from the developing countries' experience of carrying out the development strategies that apart from formulating and carrying out the right development strategies, it is essential to have a correct guiding ideology. During the course of searching for new development strategies in recent years, they have begun to discuss the guiding ideology. They have gained further knowledge about some important principles.

First of all, the correct development strategies should be laid down in accordance with a country's actual situation. They should be laid down independently and cannot be copied from other countries. Nor can other countries meddle in their establishment. Neither the capitalistic mode of the Western world nor the Soviet mode, in which one-sided development of heavy industry is promoted in developing countries and in which strict nationalization is carried out, should be copied. The strategic mode of development in the developing countries can only serve as a reference and cannot be copied without modification. As mentioned above, the developing countries have their own characteristics although they share an ultimate target and cause of development strategies. They are different in area, population, natural resources, socioeconomic structure, production, technological level, culture and custom, and foreign relations. Some countries even have vast differences. In general, every country has its own strong points and shortcomings. Their development strategies should, therefore, fully reflect their own practical situation and characteristics, so that they can make use of their own strong points to offset their weaknesses and score the best possible result.

Second, the developing countries should rely on themselves and should carry out the policy of autonomy and self-reliance when they fight for economic independence and development. Many developing countries have an abundant labor force and rich natural resources. Their people have a strong will to improve the backwardness and poor situation and are enthusiastic about constructing their own country. If this force is brought into full play and properly guided and coordinated, their society and economy will progress rapidly. It is groundless to say that since the production method of developing countries is backward, the impetus of expanding reproduction is nonexistent, they cannot avoid being exploited by the advanced capitalistic countries, and they have to rely on capitalistic countries. With the present expansion of production, the popularization of capitalism and the unprecedentedly developed international economic relations, it is, of course, impossible for a country to remain isolated from others. On the basis of bringing every domestic factor into full play, it is mandatory for developing countries to strengthen foreign economic relations, actively expand the export of goods, labor and service, obtain overseas production materials and consumer goods which are necessary for the development of national economy, and introduce the needed capital and technology so as to speed up their national economic development. However, only when domestic factors are brought into full play can external conditions be utilized and the due effects be achieved. The developing countries have to mainly rely on the concerted effort of their own people. The perfect and correct policy is to rely mainly on one's effort while making foreign assistance subsidiary.

Last, the present struggle for independent economic development of the developing countries is a continuation of the struggle for nationalist emancipation in the economic field. Based on their own experience, the developing countries have gradually come to a better understanding that in order to fulfill this hard and historic task, they have to, on the one hand, fight against the capital-monopolized circle of the Western world so as to curb neo-colonialism, and on the other, fight against Soviet hegemony in which "assistance" is given out to developing countries with an aim to control them, so as to avoid falling into new dependencies.

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